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**SAN LUIS UNIT,
CENTRAL VALLEY PROJECT, CALIFORNIA**

HEARING
BEFORE THE
SUBCOMMITTEE ON
IRRIGATION AND RECLAMATION
OF THE
COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
UNITED STATES SENATE
EIGHTY-SIXTH CONGRESS
FIRST SESSION
ON
S. 44



A BILL TO AUTHORIZE THE SECRETARY OF THE INTERIOR
TO CONSTRUCT THE SAN LUIS UNIT OF THE CENTRAL
VALLEY PROJECT, CALIFORNIA, TO ENTER INTO AN AGREE-
MENT WITH THE STATE OF CALIFORNIA WITH RESPECT
TO THE CONSTRUCTION AND OPERATION OF SUCH UNIT,
AND FOR OTHER PURPOSES

MARCH 16, 1959

Printed for the use of the Committee on Interior and Insular Affairs



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SECTION I

SAN LUIS UNIT, CENTRAL VALLEY PROJECT,
CALIFORNIA

MONDAY, MARCH 16, 1959

U.S. SENATE,
SUBCOMMITTEE ON IRRIGATION AND
RECLAMATION OF THE COMMITTEE
ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:10 p.m., in room 3110, New Senate Office Building, Hon. Clinton P. Anderson (chairman of the subcommittee) presiding.

Present: Senators Clinton P. Anderson (New Mexico), Joseph C. O'Mahoney (Wyoming), Thomas H. Kuchel (California), and Gordon Allott (Colorado).

Also present: Senators James E. Murray (Montana), Henry M. Jackson (Washington), and Frank Church (Idaho).

Senator ANDERSON. The subcommittee will come to order.

S. 44, with amendments (in *italic*) proposed by Senator Kuchel, will be incorporated in the record at this point. The report of Fred B. Aandahl, Assistant Secretary of the Interior, will follow the bill. Then I direct that the report of the Bureau of the Budget and other interested Government agencies commenting on S. 44 be printed.

(S. 44 and agency reports follow:)

[S. 44, 86th Cong., 1st sess., with amendments proposed by Senator Kuchel in *italic*]

A BILL To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis Service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, and related facilities. The works of the San Luis unit (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, pumping plants, and the San Luis Canal. [Those joint-use facilities may be constructed] The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed

so as to permit future expansion[, and upon agreement by the State or some other public agency to equitably share the costs as later provided in this Act, shall either be so constructed or]; *the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area as hereinafter provided.* In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) except so far as the provisions thereof are inconsistent with this Act. Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan, Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit [or has otherwise made provision, in accordance with section 4 of this Act, for meeting the drainage requirements of the San Luis unit] *or has made provision for constructing the San Luis interceptor drain to the Delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior December 17, 1956.*

SEC. 2. The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the *Federal San Luis unit* service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956. The Secretary shall not commence construction of the San Luis unit, except for the preparation of designs and specifications and other preliminary work, until the execution of such an agreement between the United States and the State, but if such an agreement has not been executed by [July 1, 1960,] *January 1, 1962*, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided*, That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as is otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State *shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share shall make available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement*, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity: *Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere *unduly* with the operation of the project for the purposes set forth in section 1 of this Act: *And provided further*, That this right may be relinquished by the State at any time at its option.

SEC. 3. The agreement between the United States and the State referred to in section 2 of this Act shall provide, among other things, that—

(a) the joint use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (i) immediate integration and coordinated operation with the State's

water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (ii) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith;

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an [appropriate] *equitable* share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere *unduly* with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an [appropriate] *equitable* share of the operation, maintenance and replacement costs of the joint use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction cost of the joint use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint use facilities;

(f) the rights to the use of capacities of the joint use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint use facilities for water service outside the *Federal* San Luis unit service area.

(g) the Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) notwithstanding transfer of title or of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939 for a water supply through the works of the San Luis unit, including joint use facilities, shall continue to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1), in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), *as amended*, the features of the unit to which such allocation is attributable shall, notwithstanding transfer of title or of the care, operation, and maintenance to the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised and, upon failure so to operate and maintain those features, the amount allocated thereto shall become a reimbursable cost to be paid by the State.

SEC. 4. In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contracts conforming generally to the provisions of the Federal reclamation laws with respect to irrigation repayment or service contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925, 43 U.S.C. 523).

SEC. 5. The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be nonreturnable and nonreimbursable under the Federal reclamation laws.

SEC. 6. *The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.*

(a) *The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: Provided, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.*

SEC. [6] 7: There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes. There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, and (b) for operation and maintenance of the unit. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 16, 1959.

HON. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR MURRAY: This responds to your request for the views of this Department on S. 44, a bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

We recommend that this bill be enacted.

If it is enacted, S. 44 will permit the carrying out of the proposals made in this Department's project planning report on the San Luis unit, Central Valley project, dated August 1, 1956. After clearance through the Bureau of the Budget, copies of this report were transmitted to the Congress on December 17, 1956. The general plan of Federal development of the unit was described in our report to your committee dated June 28, 1957, on S. 1887, 85th Congress, and need not be repeated in this report.

The bill would provide, also, that certain of the main supply works could be constructed in a manner and to capacities to permit their joint use by the United States and the State of California. It would authorize the Secretary of the Interior to enter into an agreement with respect to the construction, operation, and financing of these joint-use facilities. Under the provisions of the bill, an equitable division of the costs of construction, operation and maintenance of such facilities would be arrived at by negotiation. While rights to the use of capacities in the joint-use features would be similarly the subject of negotiation and agreement, subsection (f) of section 3 of the bill would require that the United States be unrestricted in its right to the use of sufficient capacities to serve the Federal San Luis unit.

In addition to favoring the enactment of legislation authorizing the construction by the Federal Government of the San Luis unit of the Central Valley project, we support the concept embraced in S. 44 that the main supply features may be constructed, pursuant to suitable agreement, also to serve proposed water developments by the State of California. We are of the opinion that the bill would furnish adequate authority to accomplish both of these objectives. It would provide a legislative framework within which the United States and the State could work out appropriate, mutually acceptable arrangements for operation of the joint-use works of the San Luis unit so that the State's water development requirements could be served without adversely affecting the operation of the Federal project and without any impairment of the Federal investment. The provisions of the bill properly recognize, we believe, that such matters as the sharing of costs and of capacities of the joint-use works cannot be determined by any fixed statutory formulas but must be worked out by the contracting parties upon taking into account all relevant factors.

In order to clarify certain of the provisions of the bill dealing with the sharing of costs, we suggest the following amendments for the committee's consideration:

1. In place of the sentence appearing in lines 12 through 18 on page 2, substitute the following:

"Upon agreement by the State or some other public agency to equitably share the cost as later provided in this Act, those joint-use facilities may be constructed initially either to permit future expansion or to capacities necessary to serve both the San Luis unit service area and the State's service area."

2. In line 22 on page 4, after the word "State" insert the words "shall agree to equitably share the total cost of constructing the joint-use facilities and as a part of its share."

3. In lines 1 and 19 on page 6 substitute the word "equitable" for the word "appropriate".

The sentence beginning at line 12 on page 2 indicates that the costs of the joint-use facilities should be apportioned between the United States and the State on an equitable basis. The amendments suggested above are designed, first, to rephrase the language of that sentence to make it clearer without changing its meaning in this respect and, second, to make the other provisions consistent with that sentence.

In addition, we suggest that on page 8, in line 20, between the comma and the word "the" which follows, there be inserted the words "as amended," to take cognizance of the recently enacted amendments to the Fish and Wildlife Coordination Act (Public Law 85-624, 85th Cong.).

The data called for by Public Law 801, 84th Congress, are attached for your information.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee. However, that Bureau has requested that your committee be advised that it would recommend that the provisions of S. 44 be modified to provide for treating the cost of minimum basic recreational facilities as part of the overall Federal cost to be allocated to the major purposes of the project subject to the cost-sharing or reimbursement requirements applicable to such purposes.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

**SUBJECT MATTER: BILL TO AUTHORIZE CONSTRUCTION OF THE SAN LUIS UNIT,
CENTRAL VALLEY PROJECT**

*Estimated additional man-years of civilian employment and expenditures for the
first 5 years of proposed new or expanded programs*

	1959	1960	1961	1962	1963
Estimated additional man-years of civilian employment:					
Executive director:					
Executive.....			1	1	1
Clerical.....			1	1	1
Total, executive direction.....			2	2	2
Administrative services and support:					
Accountant.....				3	3
Clerical.....				7	7
Property management.....				6	6
Records maintenance.....				4	4
Total, administrative services and support.....				20	20
Substantive (program):					
Engineering aids.....			10	30	30
Engineers.....			15	59	59
Geologist.....			5	5	5
Total, substantive.....			30	94	94
Total, estimated additional man-years of civilian employment.....			32	116	116
Estimated additional expenditures:					
Personal services.....			\$200,000	\$700,000	\$700,000
All other.....			2,450,000	9,000,000	32,000,000
Total, estimated additional expenditures.....			2,650,000	9,700,000	32,700,000

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 12, 1959.

HON. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of January 19, 1959, requesting the views of the Bureau of the Budget on S. 44, a bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

The bill would authorize Federal construction of the San Luis irrigation development in California, and would permit participation by the State of California in the financing, construction, and operation of the project under a partnership arrangement.

Section 5 of the bill would authorize Federal construction of minimum basic recreational facilities on a nonreimbursable basis. We believe that the costs of such facilities should be treated as part of the overall Federal costs and allocated to the major purposes of the project subject to the cost-sharing or reimbursements applicable to such purposes. Accordingly, the Bureau of the Budget would recommend that the bill be amended to delete the last sentence of section 5.

Subject to modification of the bill as indicated above, the Bureau of the Budget would recommend enactment of S. 44.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

Senator ANDERSON. The subcommittee is pleased to have the distinguished and able Governor of the State of California, Hon. Edmund G. Brown, here this afternoon for the hearing on S. 44, to authorize the San Luis unit, Central Valley project, California.

The subcommittee and particularly the chairman and ranking minority member, Senator Kuchel, are familiar with the proposed development. I had the pleasure a year or so ago of viewing the area from the air. In fact we have given much attention to the proposed authorization. Hearings were held May 11, 12, and 14, 1956 on the San Luis phase of a joint development with the Trinity project. Again, on March 17-18, 1958, hearings were held on S. 1887 which proposed authorization of the unit. All of the material developed at these hearings will be incorporated in the record by reference.

As you know, the Committee on Interior and Insular Affairs reported favorably, and the Senate on August 15, 1958, passed S. 1887.

One stumbling block to final action on the San Luis authorization has been certain conflicts of views among interests in California. These conflicts have been reflected at hearings on both sides of the Capitol. It is our hope that these divergent views have been reconciled, so that this vital development can go forward as an important feature of a national and California water development program.

Before we hear from Governor Brown, I understand the senior Senator from California, Mr. Kuchel, a member of the subcommittee, desires to propose a few amendments to S. 44, on which there has been agreement among the California interests.

Senator Kuchel?

Senator KUCHEL. Mr. Chairman, on behalf of my colleague and myself, I desire, so that the bill before us will be that which was agreed to last week by all parties in interest, to offer three amendments specifically and a number of other technical amendments which will, I feel assured, bring this bill into complete harmony so far as California is concerned.

Referring to the printed bill, S. 44, on line 13, page 2 "may" is stricken and "shall" is inserted so that the provision for joint use construction shall be affirmative and positive rather than permissive.

On line 25, page 3 of the printed bill the cutoff date is changed from July 1, 1960, to January 1, 1962. And then the present section 6 will be renumbered section 7 and a new section will be introduced at line 3, page 10, to read as follows:

The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley project," dated December 17, 1956.

So there will be no misunderstanding I will make it abundantly clear that the provisions of Federal law shall apply to the waters to be used on the Central Valley project's expanded area but that with respect to those waters released from the reservoir to serve the State system, State law and only State law shall prevail.

In addition to these three amendments, Mr. Chairman, there are a number of amendments of a technical nature to which all parties have agreed, such as an amendment related to the construction of the San Luis interceptor drain and clarifying amendments as to identity of the Federal San Luis service area, and the further clarification of the phrase "the work," as it appears at line 8, page 2 of the bill by adding the phrase "of the San Luis unit," immediately thereafter.

Thank you, Mr. Chairman, for incorporating my proposed amendments in the printing of S. 44 for this hearing record. However, at

this point in the record may I have printed concisely the proposed amendments?

Senator ANDERSON. It is so ordered.

(The proposed amendments are as follows:)

PROPOSED AMENDMENTS TO S. 44, SAN LUIS BILL

Page 1, line 5, after "California," insert "hereinafter referred to as the Federal San Luis unit service area,".

Page 2, line 8, after "works" insert "of the San Luis unit".

Page 2, beginning line 12, strike "Those joint-use facilities may be constructed" and insert in lieu thereof the following: "The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed so as".

Page 2, line 13, strike comma and insert semicolon in lieu thereof.

Page 2, beginning line 13, strike "and upon" through word "constructed" in line 16.

Page 2, line 16, after "or" insert "the joint-use facilities".

Page 2, line 17, after "both the" insert "Federal".

Page 2, line 18, after "area" insert "as hereinafter provided".

Page 3, line 9, strike beginning "or has" through "San Luis unit" line 11, and insert in lieu thereof the following: "or has made provision for constructing the San Luis interceptor drain to the Delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior December 17, 1956."

Page 3, line 17, after "the" insert "Federal"; after "San Luis" insert "unit".

Page 3, line 25, after "by" strike "July 1, 1960" and insert in lieu thereof "January 1, 1962".

Page 4, line 22, after "State" insert the following: "shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share".

Page 5, line 5, after "interfere" insert "unduly".

Page 6, line 1, strike "appropriate" and insert in lieu thereof "equitable".

Page 6, line 16, after "interfere" insert "unduly".

Page 6, line 19, after "an" strike "appropriate" and insert "equitable".

Page 7, line 19, after "the" insert "Federal".

Page 8, line 20, after "U.S.C. 662)," insert "as amended,".

Page 10, line 2, after line 2 insert new section 6, as follows:

"SEC. 6. The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled 'San Luis Unit, Central Valley Project,' dated December 17, 1956.

"(a) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States."

Page 10, line 3, strike "SEC. 6", and insert in lieu thereof "SEC. 7".

Senator KUCHEL. I have a prepared statement which shall be delayed until we hear from my friend the Governor of California, who I am delighted to welcome here in conjunction with my colleague and with the members of the committee.

Senator ANDERSON. Thank you, Senator Kuchel.

Before we go farther this afternoon we are privileged to have the chairman of the full committee, Senator Murray, of Montana here. If you have any statement, Senator Murray, on this bill we will be glad to have it.

The CHAIRMAN. No. I am relying on you to carry it through in proper shape with the assistance of my friend Senator Kuchel.

Senator KUCHEL. Thank you, sir.

Senator ANDERSON. I think both the California Senators are justifiably interested in the legislation, at least, and one of them we are very happy to welcome here, Senator Engle, who for a good many years used to come over and meet us in conferences when he was chairman of the House Committee on Interior and Insular Affairs. I perhaps ought to say I hope he will be a little more amenable to reason now that he is a Member of the Senate than we found him as a Member of the House. He was a tough customer in those days. We enjoyed him and we are happy to welcome him here and happy to welcome him to the committee and very pleased that he is here to present a distinguished friend.

STATEMENT OF HON. CLAIR ENGLE, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator ENGLE. Thank you very much, Mr. Chairman. I am certainly delighted to be here as a Member of the U.S. Senate and to say that I have always enjoyed my association with the Senate Committee on Interior as chairman of the House Committee on Interior and was very grateful for the kind of cooperation that was given to me by Senator Murray, of Montana, chairman of this committee and by you, Mr. Chairman, in your capacity, as chairman of the Subcommittee on Irrigation and Reclamation, where we had a great deal of common problems.

Mr. Chairman, I appreciate the opportunity to speak very briefly on an old pet project, the San Luis project, and to introduce to you in a moment the distinguished Governor of California.

Since the bill now before you, S. 44, is virtually identical in substance with S. 1887, which this committee approved and the Senate adopted last year, you have very wisely ruled that only new material be presented here today.

In making that ruling the Chair has thus recognized that this is an old project, too old, in our opinion; in fact almost 10 years have elapsed since it was recommended by the Department of the Interior as a necessary addition to the Central Valley project in August of 1949 and 3 years since it was proposed also by the State of California as a key unit of our State water plan.

So I will confine myself to emphasizing three points which I think are new or at least have new significance at this time.

First, we benefit today from the experience of our previous failure to precisely define our common objective. That objective is and always has been joint use of the San Luis site for both a Federal reclamation project and the State and the north-south conveyance system. S. 44 is aimed precisely at joint use with financing to correspond. It no longer contrives to impose idealistic schemes of joint dam construction or joint reservoir operation which we have learned are physically impractical and legally unnecessary. Second, we have now achieved a new unity of support of local, State, and Federal interest, and I emphasize that because it has not always been that way. That is because the San Luis legislation now before you provides a

positive benefit to everyone concerned, a benefit that is assured at an early date under any circumstances to the water-short lands on the west side of the San Joaquin Valley and ever greater potential benefit sooner or later to the populous counties of southern California without in any way prejudicing the future rights or opportunity of any area. That is why we now have a united front of local interests in both northern and southern California, as well as the State and Federal agencies all asking for this authorization.

Third, we finally have reached an agreeable compromise on timing. That is, we are agreed that the San Luis unit can be authorized now for construction as early as possible, to at least a reservoir capacity of 1,200,000 acre-feet, with provision for future enlargement or preferably under full agreement for joint use to have the full capacity and immediately have 2,100,000 acre-feet. The big point is that we can and must get started immediately on one alternative or the other without injury to any party. An early start is self-assured by the cutoff date to waiting period for a joint-use agreement. I am not wedded to the date specifically in the bill, but I am certain that a cutoff date is necessary. It is necessary as a device of urgency and a guarantee against further costly delay on this most important California water project.

Mr. Chairman, before introducing the Governor, I want to say a word about the tremendous financial burden the State of California is prepared to assume in this gigantic cooperative water program. Federal participation will be minor in comparison with State and local expenditures, which in time will total several billion dollars. Already the Governor has asked the legislature to appropriate \$38 million this year to get work started and to authorize a State bond issue of over \$500 million to move into high gear in 1960. This year's States budget includes \$10,700,000 for the purchase of lands and rights-of-way for the San Luis reservoir site and related State aqueduct systems.

I may say that the Governor of California is a public official of long experience in our State. He served as district attorney of San Francisco, one of our great and major cities. He served for a period of 8 years as attorney general of the State of California, during which time he acquired an intimate knowledge of all of California water and other problems, and he is today, as you know, the new Governor of the State of California, in connection with which he has launched the largest water-project program in the history of our State, and so it is a great pleasure for me to introduce my good friend, the Governor of California.

STATEMENT OF HON. EDMUND G. BROWN, GOVERNOR OF THE STATE OF CALIFORNIA

Governor BROWN. Senator Engle, thank you for those kind words.

Senator Murray, Senator Anderson, and Senator Kuchel, I want to thank you for the opportunity to appear before you in support of S. 44 by Senator Kuchel and Senator Engle.

My major mission is to make clear the urgency of your approval of the great San Luis Dam and Reservoir project as a combined Federal-State undertaking.

You gentlemen do not have to be told again that the whole future of the State of California depends on sound development of its water resources as soon as possible. The San Luis Dam and Reservoir project is central to such development.

You have been told in the past in impressive detail of what it will mean to the thirsty farmland south and west of the reservoir. I want you to know that it is just as important to the great metropolitan areas of southern California. The water from the huge Feather River and Delta diversion project in northern California flow down through the San Joaquin Valley into San Luis Reservoir and it is from San Luis, its pumping station and main canal, that a great State-constructed central aqueduct will carry the water south over the Tehachapi Mountains to Los Angeles and San Diego. Of the total capital outlay of \$400 million of the joint-use facilities, the United States would invest only 40 percent and the State would pay the remaining 60 percent during construction. No State has ever made a comparable proposal. The State already has commenced the acquisition of lands for the site. And in my budget, which I have submitted to the California Legislature, the funds are provided to complete this acquisition. I am asking you to pledge the necessary Federal participation. Together, the Federal and State Governments will then be on the way to another great water system as important as the Central Valley project.

Let me very quickly emphasize just three points, and the first is probably the most important.

For the first time in these long discussions with which many of you are most familiar, Californians come before you united, offering a single plan with unanimous support.

In conferences during the last 2 weeks, representatives of the Westlands Water District, the Metropolitan Water District of Southern California, the Los Angeles Department of Water and Power, the State Farm Bureau Federation, and Kern County interests have worked with my administration and the authors of this legislation to remove potential sources of conflict. The bill before you reflects the minor amendments to which all concerned have agreed.

My second point has to do with the urgency for prompt action. Time has become an increasingly important factor. In the proposed Federal service area on the west side of the San Joaquin Valley there is already a pressing need for water. Water users organizations have been formed and stand ready to contract for the water to be made available from San Luis. In addition, and equally important, an early start on construction is needed in order to phase the San Luis project into the State's proposed aqueduct system to carry on to southern California. In order to do the complete job, and do it in time, we must have Federal assistance. It must be done now in order to complete the necessary construction by the time the situation will become critical in the southern part of the State. California is only a decade away from being the most populous State in the Union. Only immediate and rapid action to meet its water problems will support the requirements of the hundreds of thousands who come to our State each year.

The third point I wish to call to your attention with special force and all of the clarity that I can command is that the State itself is

launching an unprecedented water development program of its own. We know that we cannot and should not depend entirely on the Federal Government. I hope and expect that the State of California will commit itself to invest more than \$11 billion in the next 25 years over and above the Federal programs to insure adequate statewide water development. The State is now in the process of earmarking a \$190 million investment fund for these purposes.

And I might add that this investment fund is money that was received from offshore oil reserves in bonus bidding and royalties that we already achieved. So one natural resource, oil, will now be committed to water, if I am successful in my program.

I am sure that the voters will approve a bond issue and I intend and I know that I will get bipartisan support in this. This bond issue which will finance the remainder of the cost. Future generations that will achieve the benefits will share in the repayment of those bonds.

No State has ever launched so great a water program. California recognizes, however, that it cannot do the job alone. The joint venture at San Luis represents, I believe, the best possible example of a proper method for Federal-State action in water resource development.

I am also, with your leave, submitting a copy of my special water message to the Legislature of California in which I have set forth in more detail California's water development program and I would like to submit it and make it a part of the record in this case. There have been certain amendments and there may be more but I appeared personally before the California Legislature because I felt the State water development program was so important that I wanted to in every way that I could, to dramatize the need for a water program in this State.

Senator ANDERSON. Without objection the entire document will appear at the end of your statement.

Governor BROWN. Thank you very much.

I have with me Mr. Harvey Banks, who is the State director of water resources and Mr. Ralph Brody, who is the deputy director of the department of water resources, and my special counsel in all of my water problems; they are here and they are prepared to discuss in any detail that you desire any questions that you might have.

I want to conclude by telling you that I deeply appreciate this opportunity to appear before this Senate committee in furtherance of what all of us, Democrats and Republicans alike are trying to achieve in this great big State of ours.

Thank you.

Senator ANDERSON. Thank you, Governor, very much.

(The special water message follows:)

SPECIAL WATER MESSAGE BY GOV. EDMUND G. BROWN BEFORE A JOINT SESSION OF THE CALIFORNIA LEGISLATURE IN SACRAMENTO, THURSDAY, JANUARY 22, 1959

May I first of all thank you for your courtesy in arranging this joint session of the legislature. I have asked to come here today, under these extraordinary circumstances, so that we can meet together as the single voice of all the people of California. I have come to present a water program which I believe is rational, realistic, and responsive to the needs of all the people of California.

Our State is magnificently varied in its resources, its scenery, its industry, and its people. Providence, as I said in my inaugural message, seems intent on making us a great people in a great State.

Yet, in spite of our great endowment, it has become the fashion in recent years to dwell on our water problems as being awesome and impossibly complicated. We have brooded over the expense and become lost in a forest of fear. In prior sessions of the legislature, the result has been delay and frustration.

This stalemate must come to an end. If we take courage and put our fears behind us, we can replace narrow, sectional differences with confident, pioneering leadership. This the people of California demand and deserve.

It is not the lack of water which creates the problem we meet to discuss. Indeed, the average runoff exceeds our requirements by a safe margin.

The core of our problem is distribution. We do not have enough water when and where we need it. We have too much water when and where we do not need it. Thus, it is obvious that we must build dams to capture water which would otherwise escape, and we must build canals and aqueducts to transport the water we have saved to the communities where it is needed.

To accomplish these vital tasks, our State has a great natural advantage. The physical setting of the delta of the Sacramento and San Joaquin Rivers is a gift from nature that we have never fully appreciated.

Above the delta, we have both a supply of water and the sites to store it. Within the delta, we have the natural point of convergence. When we wish to export water to an area of need lying to the south, the delta can serve as the pool, or, if you please, as the tap from which the water can flow.

Every year there are 3 million acre-feet of water in the Sacramento-San Joaquin Delta which are not being used. At present, the water goes wasting out to sea through the Golden Gate. We must build the facilities for offstream storage and move this water to areas where it is urgently needed. Unless we save this surplus water, we waste a precious natural resource and fail the people of our State.

We should remember that we store water, not alone for future use, but also to avoid flood damage. To protect human life and valuable property, we must arrest our rivers in their headlong rush to the sea. Because the Federal Government contributes funds for flood control, we must impress the Congress with our urgent needs. We will also have to provide State funds to insure that flood control projects will be available for multipurpose use—not simply for flood control.

From our water development program, we should also create new sources of electrical energy. An ample supply of low-cost power is absolutely essential to our industrial future and to the needs of all our people. The State, too, will need an enormous amount of power to operate the pumps which are required to carry the water from areas of surplus to areas of need.

Fortunately, the extra cost of adding power facilities to our water projects is small in relation to the cost of the projects and small in relation to the resulting benefits. In addition, revenues from the sale of power enable us to furnish water and other benefits to deserving areas of our economy which cannot pay the total cost of water. As an example, I cite the Central Valley project, where the production of power has benefited our whole economy.

In planning our water projects, we must give a high priority to recreation and to the development of our fish and wildlife resources. As our population grows and our leisure time increases, recreation requires added recognition as a beneficial use of water. Projects developed for recreational purposes provide our people with wholesome diversion and a happier and fuller life. At the same time, they stimulate the growth of portions of our State where recreation is the primary industry.

Against the background of these general observations, I propose the following program for water development.

First: I propose that this session of the legislature appropriate \$38 million from the investment fund to start on a construction program. It is time to start moving dirt and stop throwing mud. This is the beginning of a positive program for water development. In considering the \$38 million appropriation, I want to emphasize that the major costs of water projects are eventually repaid from revenues received from water and power users.

Second: I propose that we commit the entire investment fund to water development. This fund is unique in that it was built up through the depletion

of a great natural resource, our offshore oil. I am determined that it shall be dedicated to the development of another precious resource, our water.

Third: I propose that in 1960 we authorize a general obligation bond issue in the neighborhood of \$500 million to complete the program outlined in this message. To all of you, I pledge that I will fight to obtain adequate financing to complete the great aqueduct south. And to all of you, I pledge that I will fight to obtain adequate financing to provide the other facilities throughout the State necessary to meet the needs of our people.

Fourth: We must encourage the Federal Government to finance water projects designed for navigation, flood control, and irrigation. Considering the condition of our budget, it is plain nonsense to resist Federal aid. I am glad to see that the old hostility to Federal funds is now mellowing. We should use Federal aid wherever we can, but we must also remember that we have our own responsibilities in the development of our water resources.

Fifth: We should undertake the development of our water resources on a comprehensive statewide basis. Local agencies, of course, must be encouraged to move ahead with those projects which have a primarily local impact. Yet, I am convinced that there must be an integrated statewide development of the massive works which affect many communities. Only thus can we prevent duplication and waste. Only thus can we avoid Balkanizing our State into competing water provinces.

Sixth: Many of the principles now applicable to the operation of utilities should guide us in the development of our State water resources. Thus, we should recognize our obligation to insure that water will be available to meet the proper demands of every part of the State. As in the case of a utility, we should be able to enlarge our facilities to bring more water into the delta pool and recover the cost from the system as a whole. Moreover, just as the first man to get a telephone does not enjoy a lower rate, so those who are first served by State water projects should not have a privileged status.

As long as the legislature sits to guide our water development, we can be certain that the system will be completed and administered in fairness and equity. Those who would doubt this are questioning, not the water program, but rather the fundamental basis of democratic government.

In explaining this program, I have made no attempt to answer every conceivable question or satisfy all extremists. In addition, I have put to one side the question of a constitutional amendment. After long thought, I have concluded that an amendment is not necessary to an affirmative water program. Beyond that, I have found that there is no general agreement on what the contents of such an amendment should be. I am not hostile to an amendment and I am not closing the door on one. But I am convinced that our positive program of water development should not be delayed by further frustrating debate over the terms of a constitutional amendment.

Now let us look at the main points of the \$38 million construction program which I propose for this year.

The great aqueduct system from the delta to the south is a key to pressing problems of water supply. By carrying water to southern California the aqueduct will supply the area where the human need is the greatest. On the way southward, the aqueduct system will also serve areas of critical water shortage.

I urge you to appropriate \$10.7 million to enable us to start at both ends of this great aqueduct system; \$1.3 million would be for aqueduct rights-of-way from the delta to the San Luis Reservoir site; \$3.8 million would be for the rights-of-way from San Luis to southern Kern County; and \$3.3 million would be for rights-of-way for the aqueduct system into southern California.

The remaining \$2.3 million would be used to complete the acquisition of the San Luis Reservoir site. This will provide an important portion of the State's share of the joint San Luis project. I am determined that the dam at San Luis shall now be constructed to its full height so that we can store 2.1 million acre-feet in the reservoir.

In the past few days bills have been introduced by Senators Engle and Kuchel and Congressman Sisk and Johnson to authorize Federal participation in the San Luis project. I will do everything in my power to insure the passage of these bills. I see in them a reasonable compromise of the intrastate conflicts which have been a roadblock to this vital project. We must not allow disputes within the California family to delay us further.

There is also a vital need for a South Bay aqueduct to bring water from the delta to Alameda and Contra Costa Counties and portions of northern Santa

Clara County. I am asking you to appropriate \$7.9 million for rights-of-way and for initial construction of this facility.

The units proposed for immediate construction will serve the Livermore Valley and the Niles Cone area where fresh water is urgently needed to prevent sea water encroachment into the underground basin. When Santa Clara representatives have completed their studies, the South Bay aqueduct can be extended to northern Santa Clara County.

The department of water resources has recommended that water service to southern Santa Clara, San Benito, and Santa Cruz Counties should be provided by a Pacheco Pass route. I will urge the Bureau of Reclamation to accelerate its studies as to the feasibility of serving these areas as part of the Federal Central Valley project.

The use of the delta as a collecting pool will require the construction of works to guard against sea water encroachment in the westerly portion of the delta. We are well aware of the hydraulic problems of the delta and the complex questions regarding water rights in that area. The department of water resources has been studying this matter for a long time and, remarkably enough, there appears to be a relatively inexpensive physical solution. By April 1, when these studies will be completed, I expect to ask an appropriation to begin the initial work for bringing fresh water to the threatened delta areas and thus also to permit increased diversions from the delta.

Let us now turn to consider facilities above the delta.

There are, of course, also areas in need of water which cannot be served from the delta. For example, Sierra Valley in Plumas and Sierra Counties is critically short of water necessary to support its agricultural economy. To provide service for this area, I will ask for \$2.4 million for rights-of-way and construction of upstream features of the Feather River unit. The principal one of these would be Frenchman Reservoir.

I will also ask for the appropriation of \$11.9 million for construction of the combination railroad and highway bridge over the west branch of the Feather River. The bridge will enable us to use the new high-speed highway which is being completed this year.

A board of consulting engineers is conducting a study to determine whether construction on the Feather River should be started at Bidwell Bar instead of Oroville. On this technical question, I intend to accept the judgment of the department of water resources after it has had the benefit of the study which will be completed on February 1. I will then ask for funds to carry forward this major work on the Feather River which is vitally necessary for flood control.

Let me now turn to consider additional flood control works. I will ask for \$7.3 million as the State's share of the Black Butte project presently under construction on Stony Creek in Tehama County. I will also ask for \$6.4 million for the State's share of the New Hogan Reservoir on the Calaveras River. Since the 1958 legislature appropriated \$10 million of this amount, only \$3.7 million in new money is involved.

Just today I learned that Federal funds for New Hogan Dam were not included in the President's budget which was submitted to Congress this week. This action takes us completely by surprise since funds for final design were included in last year's Federal budget. I intend to join with our congressional delegation in strongly urging the restoration of funds to construct this vitally needed flood control project. I think we will succeed and, for that reason, I remain firm in my recommendation that you appropriate the State's share of this project.

Black Butte and New Hogan are multipurpose projects, which are urgently needed for flood control, but are not immediately required for water conservation in their local areas. The flood control benefits will be paid for by the United States. If the State will assure repayment to the United States for the conservation features, we can move forward with these construction projects. Since the State's entire financial obligation will be eventually repaid from the sale of water made available by these projects, I urge their approval now.

We must also bend our efforts to develop an economical means of obtaining fresh water from the ocean. Therefore, I request an appropriation of \$1.6 million for use in cooperation with the United States in the construction of a sea water conversion plant. This plant, which will probably be located in southern California, will include a nuclear reactor as a source of energy.

Authorize construction of the Auburn, Buchanan, and Hidden Dams and the Folsom Canals;

Appropriate approximately \$60 million for flood control construction and \$70 million for reclamation in the State next year; and

Take the necessary steps to insure that water can be delivered in the Sacramento Valley canals area;

Further, I will urge the Federal Government to construct the power features of the Trinity division and distribute the power in accordance with existing Federal law. The State itself will purchase a large volume of Trinity power to operate the pumps for its water projects. I am firmly opposed to the suggested partnership arrangement. Such an arrangement would deny to the State the preference that public agencies are now granted by Federal law.

I also intend to press for the enactment by Congress of the Engle-Kuchel bill which would permit low-cost Federal loans for irrigation features of projects which are primarily municipal and industrial in character.

In this broad statement I have emphasized the first and immediate steps that we must take. But in our long-range plans for water development, we must and we will give thought to the future facilities that will undoubtedly be needed as our State grows. These will include additional local projects, expansion of the aqueduct systems, new works in the delta, master drains for the Central Valley, and, at the proper time, importation of water from the Eel River system and other streams of the north coastal area.

By all these recommendations, I have sought to bring the forward force of responsible liberalism to the specific problem of water. As I conclude, I would emphasize that our problem lies, not so much in the control and use of our rivers, as in ourselves. Let us resolve to prove that we are one State, one people, and that we can produce one good water program. Let us grow with the strength of unity, as we begin to fulfill our destiny of greatness.

Senator ANDERSON. Any questions of Governor Brown?

Senator KUCHEL.

Senator KUCHEL. Governor Brown, first of all I congratulate you in person, as I did over the telephone, in connection with your recommendations for water legislation, both here and in Sacramento.

Are you able to say, Governor, that in your opinion the legislature would in your judgment perform its part with some reasonable dispatch so that both the Federal and State Governments might move on together?

Governor BROWN. I feel quite confident that they will. Before coming here I ascertained by a vote, not a formal vote, but by counting noses, we have been able to believe that we will be able to commit all of the investment fund to water development in the State of California.

There are details that have not as yet been worked out. I proposed a program. Southern California has been very conciliatory in trying to reach a program. The delta interests are working on a report that will come out within a week. But I can tell you that in the Legislature of California there is a determination to solve the water problem in our State and to go along with you, and I feel reasonably confident. Until a vote has been taken, of course, I wouldn't want to mislead you, and tell you that all is good, but I have talked it over with all the interests in the State, and I feel reasonably confident that we will have a water program. I know we will commit this fund to it at any rate.

Senator KUCHEL. Thank you, sir. Specifically, is it not true that at the present time your State administration is proceeding with the purchase and acquisition of the real property involved in the San Luis site area?

Governor BROWN. We have that in the budget and the assembly, the lower house committee is working on it and I know it will go out of there.

Mr. KUCHEL. Governor, the bill which passed the Senate a year ago contained a provision of study so far as the Department of the Interior was concerned on a proposal to authorize water service from the Central Valley project through the San Joaquin tunnel route to lands and municipalities in the counties of Santa Clara, San Benito, Santa Cruz, and Monterey.

Meanwhile, however, legislation authorizing such feasibility study did pass the Congress and the requisite studies were made. Would your director of water resources, Mr. Banks, be able in your absence to indicate the position of the State on such proposed additional pieces of Federal legislation as this section to which I have just alluded?

Governor BROWN. Yes; we have discussed it and he advises me that it is in accord with the overall program and we would favor such amendment to the bill itself. We think it would be a welcome addition.

Senator ANDERSON. Is that the area if you fill the dam clear full it will spill out the back side of the town the other way?

Governor BROWN. I think that is generally the idea.

Senator ANDERSON. That is about what will happen.

Governor BROWN. Is that what will happen?

Mr. BANKS. It wouldn't quite spill over. We might make it cut through the hill.

Governor BROWN. It won't be that high. We can't get it over that pass.

Senator ANDERSON. Isn't that what it is? It is not direct diversion. You raise the water level high enough to take it out the back side as we are doing in the project out in Alaska.

Mr. BANKS. And with the reservoir down there would be a pumping plant provided so there would be continuous supply.

Senator ANDERSON. I would have to say, Governor, I flew twice along the exact spot where this was going to be done. It looked good to me. I thought it was a sensible development. Coming up from the Tracy pumping plant to the actual site, then going beyond it you would see easily how the water could be moved down San Joaquin Canyon and do a good job down the way they want it.

Governor BROWN. You fly over the Santa Clara-San Benito area. That broad valley is one of the fastest growing areas in the entire United States. As we get the water down there it has unlimited possibilities for fine living.

Senator KUCHEL. The only other comment I want to make is that your representative Mr. Brody, I think distinguished himself and your administration in the labor he performed last week. We can look forward to a unanimous approval by the several economic and geographical segments of the State speaking through their officials responsible for water deliveries with respect to the San Luis legislation. If that is true, and I believe it is, then I will predict that this Congress will adopt this legislation, that the President, of course, thereafter would sign it and that your own equally optimistic view with respect now to a belated action by the Legislature of California will give your State and my State a much rosier future than sometimes in the past we thought she has.

Governor BROWN. Well, both Director Banks and the deputy director, I can tell you, have worked untiringly in an effort to move this

State program. I have never seen two men more dedicated to a cause which they think is right. And long hours, unlimited hours in trying to work these things out. It is not easy and, very frankly, we haven't accomplished all we wanted but I am not too much of an optimist. But I know we will have a water program.

Senator KUCHEL. Yes, sir, and I should have mentioned Harvey Banks alongside of Mr. Brody because I have seen Mr. Banks perform over the years with respect to this legislation.

STATEMENT OF HON. GORDON ALLOTT, A U.S. SENATOR FROM THE STATE OF COLORADO

Senator ALLOTT. Governor, I would just like to make a slight comment. I appreciate the wonderful job that has been done with getting the California people together on this water program and as a westerner I especially have a very deep appreciation of the problems which afflict us with respect to water and it would be my hope during your administration that we will find the same degree of cooperation with respect to the problems which we have to solve with respect to the upper Colorado, including the Fryingpan-Arkansas project, which the State of California has opposed officially for some years and I hope this same spirit of cooperative development will apply also to the upper Colorado River project.

Senator ANDERSON. I will tell you this, if he gets a favorable answer I am going to start mentioning the New Mexico project.

Senator ALLOTT. I was just getting to those.

Governor BROWN. I haven't discussed that with Harvey Banks. My office, the new administration hasn't taken any position on that. But let me say this: As a Governor of the State of California, I am interested in the development of the entire West and anything that we can do to assist. I, of course, was attorney general in this case of *Arizona v. California*, and we will soon have the water rights, within a year, at any rate, between California, and Nevada, and in New Mexico decided and I think, of course that will only be some indication of the water rights in the upper Colorado, too. But I don't want to take a position on the Fryingpan project today. I can just tell you generally that I have never, as attorney general, opposed that project. The Governor has in the previous administration. What we will do, I don't know.

Senator ALLOTT. I would just like to say the Fryingpan will take less than 2 percent of the water allotted to the upper basin States under the upper basin compact and there is a great area in my own State that is suffering tremendously economically and actually suffering from a lack of water, because we have not been able to get consideration from Congress for this project.

I don't say this in any sense of vis-a-vis the merits of the San Luis unit. The San Luis unit will stand on its own four feet or two feet, or whatever it is or on its own base. And I am sure will receive support from this committee and from the Senate. But I think this is a good time to remind the Governor in a very friendly way, if I can, that the development of the upper basin, including the Pacheco tunnel and all of our projects up there need also very sympathetic consideration from the State of California.

Governor BROWN. Well, I can only tell you that because previous administrations opposed it, that is no reason that this administration

would oppose it. But I would like the opportunity—and I am not prepared today—to take a position on that. I would like to talk it over with Mr. Banks. I would like to talk it over with some of the southern California interests that have opposed it, but that doesn't mean that I will oppose it, merely because they have. I will tell you that. I was in disagreement with some of those over a period of years who have opposed all water development all over the West and I think you may find a change of attitude. But I don't want to get in the position where I am ready to reverse a position until I have studied it.

Senator ALLOTT. All right.

Senator JACKSON. I want to say, Governor, Senator Allott and I will give you every opportunity to take the most enlightened position.

Governor BROWN. Thank you.

Senator JACKSON. Senator Church.

Senator CHURCH. No questions.

Senator ANDERSON. Senator O'Mahoney.

Senator O'MAHONEY. I suppose, Governor, that you can guarantee a sufficient water supply for Los Angeles for the big convention that is to be held there in 1960?

Governor BROWN. That I will guarantee. It will be a good convention.

Senator ANDERSON. If there are no further questions, thank you very much, Governor, and we are glad to have you here and want to welcome you back whenever you want to come.

Governor BROWN. Thank you very much, and I have my two loyal associates here who can enlighten you on any further part of the program.

I would like to be excused, if I may, now, because I find in the 48 hours I am here in Washington that I have a great many things to do. Thank you very, very much.

Senator ANDERSON. I will direct that the communication from Governor Brown to Senator Murray, dated February 18, 1959, containing the comments of Mr. Banks to Mr. McFarland be printed at this point in the record.

(The letters follow:)

STATE OF CALIFORNIA,
GOVERNOR'S OFFICE,
Sacramento, February 18, 1959.

HON. JAMES E. MURRAY,
Chairman, Senate Committee on Interior and Insular Affairs, Senate Office Building, Washington, D.C.

DEAR SENATOR MURRAY: Thank you for your letter of January 20, 1959, and for this opportunity to comment on S. 44, a bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project and to enter into an agreement with the State of California for the financing, construction, and operation of those features of the San Luis project which are to be jointly used by the United States and the State.

Because of the great importance of a joint Federal-State San Luis project, I have carefully reviewed the Federal bills to authorize the project which have been introduced during the current session of the Congress, as well as the various proposals made during the last session of the Congress. After consulting with the California Department of Water Resources, I have concluded that S. 44 provides a very satisfactory basis for a joint Federal-State venture in the financing, construction, and operation of the San Luis project.

As indicated in your letter, S. 44, with a few exceptions, is substantially the same as S. 1887 which was approved by your committee and by the Senate

during the second session of the 85th Congress. In response to a request from Mr. Sidney McFarland, consulting engineer to the House Interior Committee, Mr. Banks, in his letter of December 31, 1958, commented on S. 1887 as a proposed basis for authorizing legislation to be introduced during this session. Enclosed is a copy of Mr. Banks' letter. You will note that the substance of all the suggestions made by Mr. Banks has been incorporated in S. 44. I intend actively to urge the passage of this bill by the Congress.

I regard the San Luis project as a key in California's water development program, and in my special water message to the Legislature of California I emphasized particularly the need to construct San Luis Dam initially to its full height so that approximately 2,100,000 acre-feet of water can be stored in the reservoir. Enclosed is a copy of my special water message which you may find of interest.

I appreciate your cooperation in proposed legislation to authorize the San Luis unit, a vital part of California's water development program. I am grateful also for your congratulations on my victory last November.

Sincerely,

EDMUND G. BROWN, *Governor.*

DECEMBER 31, 1958.

MR. SIDNEY MCFARLAND,
*Consultant Engineer, House Committee on Interior and Insular Affairs,
House Office Building, Washington, D.C.*

DEAR MR. MCFARLAND: In accordance with your request in our telephone conversation of December 22, we have reviewed S. 1887 as reported with amendments on August 5, 1958. I regret very much this slight delay in replying to your request but the importance of the San Luis unit authorization and its relation to the Governor-elect's water program have made it unavoidable.

We feel that S. 1887, as reported with amendments on August 5, 1958, generally will accomplish the authorization of the San Luis unit and successful joint Federal-State financing, construction, and operation of the joint-use facilities. We have three amendments, however, which appear to be necessary. The first of our recommended changes is in section 1 and is made for the purpose of clarifying the authorization so that it clearly includes authority for the Secretary of the Interior to construct the joint-use facilities to such capacities and size as will permit their joint use by the State and the United States to meet the requirements of their respective areas. Specifically, it is suggested that:

1. On page 2, line 15, insert a comma after "forebay" delete "and" and insert after "afterbay" the following: "and pumping plants".

2. On page 2, line 17, after "constructed" insert "by the Secretary initially to the capacities necessary to serve both the San Luis unit service area and the State's service area, or so as" and insert a comma after "expansion".

3. On page 2, line 18, insert "equitably share the" after "two" and delete "assume the added".

4. On page 2, line 19, delete "cost" and insert in lieu "costs" and delete "involved".

Our second suggested amendment is the following revision to subsection (a) of section 3: On page 6, line 1, after "ects" insert: "by providing, among other things, a capacity in San Luis Reservoir of approximately 2,100,000 acre-feet and corresponding capacities in the other joint-use facilities." The purpose of this amendment, of course, is to make specific that if the San Luis Reservoir is initially constructed to meet the requirements of the State and Federal service areas, it will be constructed to a capacity of approximately 2,100,000 acre-feet.

Our third recommended amendment to the bill is that subsections (f) and (g) of section 3, on page 8, be deleted and in lieu the following subsection (f) be inserted:

"(f) The rights to the use of capacities of the joint-use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the San Luis unit service area."

The purpose of this amendment is to place the United States and the State on an equal basis with reference to the works of the project to be jointly used. You will recall that this point was repeatedly raised by Kern County and southern California interests. Since both the United States and the State will contribute to the capital cost of the works, it is equitable that the rights of each to its share of the capacity of the joint-uses facilities be on an equal basis. We feel that the details of this can be worked out in the contemplated contract. It is recognized, however, that the project should be so constructed so as to enable both the United States and the State to carry out the respective purposes for which the project is authorized. It is believed that the suggested language meets the objections raised without destroying the original intent when the bill was first drafted in March 1957.

Attached is a copy of the bill with our recommended amendments.

Your cooperation in this matter is very much appreciated. If I can be of any further assistance, please let me know.

Very truly yours,

HARVEY O. BANKS, *Director.*

Senator ANDERSON. As announced at the morning session, the subcommittee is making presentations at previous hearings a part of the record by reference. We are seeking to confine, as far as practical, the oral presentation today to new material that will aid in our consideration of S. 44.

We will then ask spokesmen for the Department of the Interior, the Bureau of Reclamation, to comment on the amendments that have been proposed today by Senator Kuchel on S. 44, on any new material or other developments in connection with the San Luis authorization.

We will hear Representatives Hagen and Sisk of California, followed by Representative Gubser and other members of the California delegation who may desire to appear.

Senator KUCHEL. Mr. Chairman, if I may interrupt, in that same spirit of developing a report in the easiest possible manner, I would like to ask your unanimous consent that the statement I have prepared on this legislation be set forth in its entirety in the record.

By way of introduction to that request, let me say that I am perfectly delighted at the reasonable attitude which was in evidence at the time a series of meetings last week was conducted in which, as I previously indicated, representatives of the various important parties in interest to this proposed legislation gathered together to resolve their differences.

Mr. Chairman, the State of California now has 14 million people, increasing at the rate of about 500,000 people a year. The city of Los Angeles is now the second largest city in the Nation, and beyond that the people north and south who come to live with us will require more water. Here we have an opportunity to demonstrate to the country that the State government and the Federal Government may cooperate in the construction and in the use of one important reservoir facility which would serve both a Federal system in being, the Central Valley project, and a State water system in prospectus, the Feather River project. Apparently the Supreme Being gave to the people of California one great reservoir site in the Central Valley at San Luis, which engineers tell us could feasibly be the basis for the construction of a 2,100,000-acre storage reservoir which would serve the needs of an expanding Central Valley service area and the Feather River project particularly with respect to southern California as well.

And thus now that we do have this very happy situation of apparent unanimity of thought concerning Federal and State participation, I venture to hope that this hearing may result in the expeditious handling of legislation; that once again it will pass the Senate and that this time it will pass the House of Representatives.

Senator ANDERSON. You may proceed at this time with your statement, Senator Kuchel.

Senator KUCHEL. Thank you.

STATEMENT OF HON. THOMAS H. KUCHEL, U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator KUCHEL. Mr. Chairman, this hearing is the third time this subcommittee has considered legislation to authorize the San Luis project. The reason for enacting this measure, which I introduced in company with my colleague from California, is even stronger and greater than when hearings were held in May 1956 and just a year ago.

I wish to recall that after the 1958 hearings, the predecessor bill was reported favorably by the full committee and passed the Senate. Unfortunately, the House was unable to act and the legislation died with final adjournment.

As was the case in 1958, again now, in the new Congress, the State government urges congressional approval of this legislation. The Knight administration in the last Congress, and now the Brown administration, support the San Luis proposal before you.

In a word, the legislation envisages the construction of a giant, 2,100,000-acre-foot storage reservoir, jointly used by the State of California in sending northern surplus water on south through the lower San Joaquin, and through the coastal counties, and into all of southern California, and used also by the Federal Government in rescuing 500,000 acres of land now in danger of destruction because of the vanishing water supply.

Thus, two systems, one a Federal project in being, the other a State project about to get underway, would both be served at San Luis, the point where they cross, by a single storage reservoir, whose cost of construction and operation would be economically shared by both governments.

The importance of speedy action by Congress at this time has been heightened by various developments within our State. Outstanding probably is the fact that a decision has been reached on the general routing of an imagination-challenging aqueduct to carry surplus waters of northern California to the burgeoning, heavily settled communities in the southern half of the State. Also significant is the fact that in the intervening months since this matter last was before the committee, marked progress has been made in achieving the basis for an understanding within our State about the attempts of man to rectify the shortcomings of nature in the distribution of water available in all of California. The prospects now are much brighter for a settlement of what is called the water controversy which has retarded somewhat initiation of action on the California water plan conceived in 1931.

Broadly, the bill before the committee today is very similar to that which was reported and approved by the Senate last year. As I say, it provides for the building and operation of a 2,100,000-acre-foot reservoir at the San Luis site on the west side of the San Joaquin Valley to store and furnish water for what are in actuality two separate projects. These are an additional unit of the vast Central Valley project, a Federal undertaking, and an integral part of the Feather River project, a purely State enterprise.

As for the Federal interest, the project will serve lands now completely dependent upon irrigation water pumped from underground sources. Years of overdraft has caused the ground-water table to recede at an alarming rate. The situation has become acute, critical in recent years. The supplemental water from this project would halt the abandonment of land which otherwise is liable to revert to semi-desert. Thus, the Federal undertaking would be wholly in harmony with the objectives of our reclamation policy of more than a half century, by assuring a livelihood for American families. At present nearly three-quarters of a million persons would be benefited directly and indirectly by the San Luis development.

Here is a unique opportunity for pooling of Federal and State resources and abilities. The San Luis project would have a dual purpose and become a vital feature of the State water plan at no added expense to the United States. It will be an important link in the development of the State, specifically in sections from the lower San Joaquin and Santa Barbara, and beyond the Tehachapi Mountains south to the Mexican border. These areas, with startling increases in population and industry, are concerned with efforts to transfer excess water from the surplus counties of the north to the critical deficiency communities of the south where additional supplies are imperative to maintain the present economy, let alone meet forecast demands for greater quantities to accommodate expected growth.

The physical plan of San Luis involves capturing a portion of the winter runoff that each year flows into the Sacramento-San Joaquin delta and is wasted into the Pacific Ocean. The water would be transported by means of the existing Tracy pumping plant and the Delta Mendota Canal of the CVP to a point near the San Luis Reservoir site.

There new facilities would be constructed to lift the water to the reservoir for storage and then ultimately for either delivery to agricultural lands of the surrounding area for use during the irrigation season or transportation through huge new aqueducts to the residential, industrial, metropolitan areas of Los Angeles, Orange, Riverside, San Bernardino, Ventura, and San Diego Counties. It will almost double the utility of the existing Delta Mendota Canal system by providing for its use at a time when otherwise it would be idle.

The California water plan, with an aggregate estimated cost of nearly \$12 billion, envisions facilities basically similar in design and location to those proposed by the Bureau of Reclamation to serve the San Joaquin Valley. It is essential to provide a storage and regulating reservoir at a midway point on the route of the contemplated interbasin exchanges.

Both State and Bureau officials are on record to the effect that there are no engineering, financial, legal, or other obstacles to the

coordination of construction and operation of the San Luis project as contemplated in S. 44 for both Federal and State purposes.

The legislation before you would thus be precedent-setting. Already, it is noteworthy that prolonged conferences and discussions have resulted in such a meeting of minds that this bill has been drafted. It is obvious that any effort to use a single reservoir and related facilities for discharge of Federal and State responsibilities can lead to complications and differences. Happily, these have been resolved and dissipated.

The bill now before the committee had its beginnings following the May 1956 hearings which were climaxed by a week-long meeting in the office of the Commissioner of Reclamation. Those conferences were specifically urged by this committee to seek reconciliation of the divergent views of many parties interested in one or the other phase of the proposed undertaking. I believe they succeeded admirably, as is indicated by the fact that both former Governor Knight and his successor, Governor Brown, who is here today, have endorsed the bill and that both California Senators have joined in introducing it in the current and prior Congress.

In the time that has elapsed since those meetings, additional hearings have been held in both the House and the Senate, and there have been further conferences both in Washington and in California. These exchanges of views resulted in improvements to the bill. As late as this past December the California Director of Water Resources suggested certain changes in the bill approved by the Senate last year. Those changes, chiefly of a clarifying nature, are incorporated in S. 44.

There are two points on which amendments will be proposed and which I feel should be adopted. These relate to the cutoff date and to the recognition of the dual nature of the project.

Under the bill as proposed, the Secretary of Interior could not commence construction until the execution of an agreement with the State for joint responsibility in building, maintaining, and operating the dam and reservoir. If such agreement has not been consummated by July 1, 1960, the Secretary might then proceed to construct the project according to plans designed to meet the needs of only the San Luis service area.

In view of the passage of time, the cutoff date, which is lifted from the bill approved last year, undoubtedly should be postponed. I see no reason why reasonable men, seeking a common goal, cannot take a calendar and find an agreeable date by which both parties shall have reached and executed a reliable agreement.

I have emphasized throughout these remarks the project would have a dual purpose, carrying out both a Federal and a State plan and supplying water for different uses. We envisage construction of a 2,100,000 acre-feet reservoir because that would be more economical, more practicable, and the commonsense way of proceeding to meet these varying requirements.

Accordingly, the bill should recognize that in one area served by the Federal project the Federal reclamation law will apply, while in the other area, served by the Feather River project, California law will apply.

It should be made crystal clear that the Federal acreage limitations will be enforced in the cases of those benefiting from the Federal project in this joint venture. It similarly should be unequivocally understood that Federal laws will not in any way or manner affect lands which may be supplied from features which are unmistakably part of the California water plan. Both those for and against this legislation should know beyond doubt that the project will handle purely intrastate waters which the Creator has sent to California and that under the State system these State waters will be used in accordance with State laws. I wish it equally clear and unmistakable that on the lands which are part of the Central Valley project the waters will be used pursuant to Federal law. The fact that the same reservoir will be used to store two categories of water should not lead to the imposition of a Federal law and Federal obligations on persons who are beneficiaries only of the State expenditure and effort.

The bill thoroughly protects the interest of the United States. In the very unlikely event that an agreement with California cannot be reached, the Secretary of Interior must report that fact to the Congress and then wait 90 days before proceeding to construct the project according to Bureau of Reclamation specifications and plan.

Under no circumstances can the Secretary initiate the project until he has secured, or has satisfactory evidence of his ability to secure, all rights to the use of water necessary for successful operation. Further, the entire Federal cost of the project allocated to water users will be repaid by them over a period not to exceed 50 years.

The bill likewise contains carefully framed provisions to protect and advance the interests of California. For example, should the State elect not to enter into the contemplated contract with the Federal Government, it can still preserve its interest in the site by making available to the Secretary sufficient funds to pay the additional cost of designing and constructing the dam and joint-use facilities to permit enlargement at some subsequent date. Thus, the State will acquire an irrevocable right to enlarge or modify those facilities at any time in the future and a perpetual right to the use of such additional capacity.

Based on a State-Federal agreement, the Secretary can either initially construct the reservoir to full capacity, 2,100,000 acre-feet, and to corresponding capacity of other joint-use facilities in order to permit immediate integration and coordinated operation of the works, or he can construct them to meet requirements of the Bureau of Reclamation but on a basis susceptible to future expansion by the State if later desired.

The benefits of this venture should be widespread. Its need is obvious from reference to the tremendous expansion of California population, industry, and agriculture during recent years. From a population of less than 7 million in 1940, we have more than double that number of people today. The State Department of Water Resources shows an almost unbelievable rise in consumption of water and foresees even harder to comprehend increases in the rest of the present century. The department reported that back in 1950 the estimated seasonal shortage of developed water in California was about 2.7 million acre-feet and by 1965 some experts warn, that, with-

out this and other equally vital undertakings, the overdraft may reach 10 million acre-feet per season.

Some years ago, the Congress and the executive branch were concerned about giving the American people "more abundant life." This project is ideally conceived to reach that goal.

Senator ANDERSON. Any questions?

Senator KUCHEL. No questions, except that I might say to my colleague from California, if any of our constituents have any prepared comments I think they should be incorporated.

Senator ANDERSON. These four people, these people who came here came from a distance. If you have statements on it, let us have it. We will try to include them in the record.

Representative GUBSER. Thank you.

Senator ANDERSON. You are in the hands of a very receptive group if that helps you any.

Representative GUBSER. Thank you, Mr. Chairman.

Senator ANDERSON. Go ahead, Congressman.

STATEMENT OF HON. HARLAN F. HAGEN, U.S. REPRESENTATIVE FROM THE STATE OF CALIFORNIA

Representative HAGEN. Mr. Chairman and members of the committee, I do not have a prepared statement. I would like leave to revise, extend, and supplement my remarks made here today.

I first want to thank you, Mr. Chairman and members of the committee for the privilege of being heard here today and will endeavor to provide new material. I testified here last year and Senator Anderson questioned me at some length. So I want to talk about this basic conflict and the compromise that was arrived at, we thought, at least, on March 13. As you are aware, there is a conflict in use of sites between the San Luis project and the much larger State project identified as the Feather River project, they both would utilize the San Luis Creek as a damsite and both want to utilize a canal running southward marked in red on the committee chart.

The basic assumption is that the State of California and the Federal Government will agree from the outset to a joint program of development for the so-called joint-use facilities. The problem in the past has been that the chief advocates of the Federal project have wanted to establish a time when they could go ahead unilaterally in the absence of such an agreement as I have talked about. As a consequence, the advocates wanted a point in time, we will say 1960, or 1962, when they could go ahead in the absence of any agreement with the State. Now, at this meeting the other day among representatives of all California viewpoints it was agreed according to my understanding that the people south of that canal marked in red, which would include all of the area of Los Angeles, for example, and Kern County, which is in my congressional district, would agree to a cutoff date in the bill provided that if that contingency occurred, that the Bureau of Reclamation proceed without a prior cooperative agreement, the Federal Government from the outset would plan the dam structure and the canal, and in fact build the canal to a capacity sufficient to accommodate water deliveries for both projects?

Senator ANDERSON. Do I understand you to say that in the case the State did not go ahead with its part of it, that you still expected the Federal Government to build one as large as it would be if there were two projects combined?

Representative HAGEN. Not as large but to make the base big enough, so to speak, to support the second story that the State would ultimately build on it.

Senator ANDERSON. You have gone over the route of the canal, have you not?

Representative HAGEN. Yes.

Senator ANDERSON. Is there a difference in the route between the combined project and the Federal project only?

Representative HAGEN. In the optimum situation they both utilize that same canal.

Senator ANDERSON. I thought, I flew over it, and I thought the Federal project came, it was higher up the mountain quite a bit or higher up the hill quite a ways.

Representative HAGEN. That is the canal to the north, Senator. There would be a separate State canal going north from that damsite into the San Joaquin Delta and there would be a separate set of pumps there. That is my understanding, although the other would be feasible but it would be cheaper to construct one canal going south from the joint-use dam to serve both types of water delivery.

Senator ANDERSON. I am talking about the canal going south, not the one going north. I thought that the canal route going south was a little higher up on the hill, as a matter of fact, it went back through a sort of volcanic formation, a little softer than some of the rest.

Representative HAGEN. You may be correct, and if I am in error I would like some of these other Californians to correct me.

Senator ANDERSON. What I am trying to get at is this: Do you understand if it is just done as a Federal project that the canal still has to have a carrying capacity of a combined project?

Representative HAGEN. Well, that is my understanding. I will check with one of these other witnesses. Is not that correct, Mr. Butler?

Senator ANDERSON. Let us do that. It changes the cost.

Mr. BUTLER. I am not positive of the canal.

Mr. KUCHEL. Mr. Chairman, it is a difference of \$100 million.

Representative HAGEN. I will present that as my version of it, in any event. Of course in that connection, Senator, the Bureau has made studies of an extended San Luis project, which would require a canal going south of much larger capacity than needed to serve its presently proposed service area and which would further involve additional storage at the point called Avenal Gap and that would be the extended San Luis project. So in the absence of any State action we do not foresee that the enlarged capacity would be forever inactive. You still would not have wasted any money.

Now, a further concession that was made by the southerly, let us call them, water interests, was that the Federal Government would be the sole constructing agent on these joint use facilities and further that title to the joint use facilities would rest in the Federal Government. The State is in the process of acquiring the lands. However,

under the compromise they would be transferred to the Federal Government and in that connection I might say that it is estimated that the cost to the State of these lands and easements and so forth, would probably total in the neighborhood of \$10 million, so that that is a valuable consideration which the State would contribute to the overall project of the Federal Government built under any set of circumstances.

In exchange for these agreements in effect it was further agreed that there would be definite language in the bill spelling out the fact that the Federal reclamation laws did not apply to State deliveries, to State service areas. It was indicated that the language of the bill carried that connotation. But it was also felt why bury the issue. Somebody was going to bring it up anyway, whether you stated it specifically or left it by innuendo. So that language was added by the compromise and logically so because the State deliveries will be paid for by the State and for so long as the States does not see fit to enact the equivalent of the Federal reclamation law they should be privileged to handle it under current State law.

Senator ANDERSON. Are you familiar with the language Senator Kuchel suggested?

Representative HAGEN. Yes, I am, sir.

Senator ANDERSON. That is satisfactory?

Representative HAGEN. Yes, sir.

That is all the comment I have, Senator.

I hope that this matter is handled amicably from the standpoint of California interest, because it is a project of some magnitude, and I think it would be extremely difficult to get approval of it if there were not complete agreement within the State of California.

Senator ANDERSON. Thank you very much. I think it is going to be possible to keep it on a basis of agreement.

Representative HAGEN. Thank you very much.

Senator ANDERSON. Are there questions?

Senator KUCHEL. A very excellent statement.

Senator ANDERSON. Are there questions?

Thank you, Mr. Hagen.

(Congressman Hagen subsequently submitted the following supplementary statement:)

SUPPLEMENTARY STATEMENT OF CONGRESSMAN HARLAN HAGEN FOR INCLUSION IN
RECORD OF HEARINGS BEFORE RECLAMATION SUBCOMMITTEES OF HOUSE AND
SENATE INTERIOR COMMITTEES IN RE SAN LUIS PROJECT

Mr. Chairman, I wish to comment further on the relation of the San Luis project to the Feather River project portion of the California water plan.

During the time that I was a member of the California State Legislature we authorized the State Feather River project on the basis of an extended study by the State water engineer. This survey and study was subsequently continued and reported upon and the State has already spent over \$50 million on the project. This expenditure and the increments thereto currently being requested of the legislature by Gov. Pat Brown is the best evidence that this is not a frivolous project but rather one that will be pushed through to completion at an early date with an ultimate cost in excess of \$1½ billion.

The essence of the Feather River project is the year-around taking of water from the San Joaquin River Delta southward by means of a main-line canal and areas of storage en route. Such storage south of the delta is vital to provide usable quantities of water at all times closer to the various points of diversion from the canal than would be furnished by the provision of a canal alone. It is

true that the main-line canal at times will be used to transport water continuously from the delta to points of diversion for consumptive use but at other times the supply must come from storage. The mentioned State 60 percent and Federal 40 percent participation in the described San Luis joint-use facilities reflects a larger usage by the State of a joint-use canal rather than a larger use of the main reservoir.

It is this storage requirement which makes the San Luis Dam site on San Luis Creek in Merced County, Calif., crucial to the success of the State Feather River project. It is either the most economical or the only damsite capable of storing the 1 million acre-feet plus of water needed to be stored initially by the project. Because of this fact the San Luis Dam site is a source of conflict between proponents of the State project and those of the Federal project.

As originally programed the Feather River project contemplated water deliveries to the so-called San Luis unit service area in the interests of economic operation; however, that programing was dropped at the insistence of the Westland's Water District and other subsequent proponents of the Federal project to serve a projected San Luis area. Their reasoning was that they could get cheaper water or get water more rapidly through development of a Federal unit which would be part of the Central Valley project operated by the Federal Government with certain advantages of power usage and lack of interest requirement in repayment contracts. Proponents of the State plan very graciously consented to dropping these potential customers from the State plan but they could not drop their insistence on the proposition that the State project would have to have, at least, equal access to the San Luis Dam site.

In studying this conflict it was discovered that substantial money savings would accrue both to the Federal and State Governments by joint participation in the construction and operation of not only the San Luis Dam but also the main-line egress canal to the south and other more minor joint-use facilities.

It is for this reason that proponents of the Feather River project have taken the position before the committees of Congress concerned with authorization that no Federal authorization be granted which would allow preemption by the Federal Government of the main damsite to the exclusion of the State project.

As of this moment this position can be spelled out in detail with respect to language to be contained in any San Luis project authorization. This specific position is the compromise agreement I have referred to earlier. This compromise was the binding agreement of a representative of California's Governor, the two California Senators, Congressman Sisk, and myself, and representatives of San Luis, Kern County, and Los Angeles water interests, arrived at in a March 13 meeting attended by representatives of the Bureau of Reclamation.

This compromise looks primarily and hopefully to agreement between the Federal and State Governments for coordinated construction and operation of described joint-use facilities including a reservoir and egress canal therefrom. It does, however, cover the situation of undue delay in reaching such agreement by permitting unilateral Federal progress after date of January 1962 under two limited conditions. These conditions are the following: (1) That, in the event the January 1962 deadline for agreement has passed the Federal Government may proceed but only if it designs the joint-use facilities and constructs the same so that they are later expandable to encompass the purposes of the State project; or (2) the Federal Government may proceed at any time to construct, in the absence of agreement, if the State has advanced its share of the cost of designing and constructing expendable joint-use facilities, in which event the State will acquire an irrevocable right to such expansion.

As I have stated a joint Federal-State construction and operation of certain joint-use facilities for the purpose of providing water to customers in separate service areas will be cheaper for both agencies in both the construction and operation phases and, therefore, I am certain that this project for Federal authorization will ultimately become a reality only on that basis.

My final comment is that a Federal authorization for a joint Federal-State project may be precedent breaking but it is certainly admirable. The complaint is often heard that too often local interests of various kinds seek hand-outs from the Federal Government for projects which could be handled locally. In the instance of the Feather River project we have an example of a State endeavoring to solve its own problems and asking only that the Federal Government not disrupt its plans but rather serve as a partner in certain integral units to the mutual advantage of both parties.

Senator ANDERSON. Mr. Gubser.

**STATEMENT OF HON. CHARLES S. GUBSER, A U.S. REPRESENTATIVE
FROM CALIFORNIA**

Representative GUBSER. Thank you very much, Mr. Chairman and members of the committee. I appreciate the opportunity to appear before you, realizing full well that your time is limited. Out of deference to that fact I shall not consume in excess of 3 minutes.

My specific purpose in coming before you, Mr. Chairman, is to request inclusion in this legislation of the wordage of section 5 in H.R. 302 which would authorize an extension of the service area of the San Luis project to include, through Pacheco tunnel, the counties of Santa Clara, San Benito, Santa Cruz, and Monterey.

I might say, Mr. Chairman, that this was proposed in this morning's session of the House Committee on Interior and Insular Affairs. The principal majority sponsor of the bill as well as Mr. Hosmer, the minority sponsor, both indicated in the public hearings that they were agreeable to the terms of section 5 and would be agreeable to having them included.

You have just heard the Governor of the State of California express a similar feeling. I know full well that the committee is well acquainted with what this particular section would accomplish. And I see no reason in my taking up any more of your time except that I would ask the permission of the chairman merely to introduce four persons who are here in behalf of this legislation and who would be qualified to answer any technical or legal questions that you might have, if I may do so.

Senator ANDERSON. Go right ahead.

Representative GUBSER. I would like first to introduce Dr. George Sullivan, consulting engineer of the Tri-County Water District and dean emeritus of Santa Clara Engineering School.

Senator ANDERSON. Glad to see you again, Doctor.

Representative GUBSER. I would like to introduce Mr. Frank Polack, chairman of the board of directors of the Tri-County Water District; Mr. Francis Silliman, who is a director in the newly included Santa Cruz County portion of the Tri-County Water District and also chairman of the Santa Cruz County Board of Supervisors; and Mr. Albert Henley who is the attorney and legal counsel for the Tri-County Water Authority.

Mr. Chairman, if you have any questions I should be delighted to try to answer them and perhaps these four gentlemen might assist me.

Senator ANDERSON. Would you submit for the record the language which you would like to have added? I know you identified the section of the House bill. Would you submit the language to us at a later time?

Representative GUBSER. I would be glad to do that Mr. Chairman. (The information follows:)

SEC. 5. The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed

by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.

Senator ANDERSON. You gave us a fine statement of it a year or so ago. Since that time I had a chance to take a look at it myself. It looked like a sensible addition to the project that I for one would like to see in the bill.

Representative GUBSER. Thank you, Mr. Chairman.

Senator ANDERSON. Mr. Dominy. You better state your name for the record and what you do.

STATEMENT OF FLOYD E. DOMINY, ASSOCIATE COMMISSIONER OF RECLAMATION, DEPARTMENT OF THE INTERIOR

Mr. DOMINY. Mr. Chairman, I am Floyd E. Dominy, Associate Commissioner of the Bureau of Reclamation, Department of Interior. At this point I will submit a prepared statement for the record that I presented to the House committee on a similar bill.

(The statement referred to follows:)

STATEMENT ON SAN LUIS UNIT, CENTRAL VALLEY PROJECT, BY ASSOCIATE COMMISSIONER OF RECLAMATION DOMINY

It is a pleasure to appear before your committee this morning to discuss the proposed San Luis unit of the Central Valley project and the manner in which it fits into the overall California water plan for development of the water and land resources of that State. Last year, at hearings before this committee, we made a detailed presentation of the San Luis unit. There have been no developments in the intervening year that affect significantly the presentation made last year. The prepared statements we have today cover much the same ground and bring up to date the information presented at that time. We will be glad to go into these to whatever detail the committee may desire.

I will not attempt a detailed description of the San Luis development in my testimony, as that is covered in the statement of Regional Director Bellport, who will follow me.

On December 17, 1956, Secretary Seaton transmitted to the Congress for its information his report on the San Luis unit as an interim report, in advance of recommendations for legislative action. He stated in that report that "negotiations with the State of California concerning possible means of integrating the San Luis unit with the proposed Feather River project of the State are proceeding at the present time and their outcome will be instrumental in shaping the recommendations that this Department will make when authorizing legislation for the San Luis unit is considered by the Congress."

Following submission of this report to the Congress, numerous meetings were held with State, local, and congressional representatives concerning acceptable means of coordinating the proposed San Luis and Feather River developments. Within the past year our regional office has met several times with the California Department of Water Resources looking toward the negotiation of definite terms of an agreement relating to the construction and operation of a joint Feather River-San Luis project. These negotiations, however, are still in the formative stage and considerable additional joint study will be required before final agreement can be reached.

The meetings have disclosed that there are no major engineering obstacles to coordination as the Bureau and State engineers are in general agreement as to the physical works required. The question of how coordination can best be accomplished then is one involving policy rather than engineering considerations. We believe that H.R. 301, with minor clarifying amendments, provides a legislative framework within which the United States and the State of California can work out appropriate, mutually acceptable arrangements for construction and operation of joint-use features and for an equitable sharing of costs. Accordingly, the Department of the Interior recommends enactment of H.R. 301.

The Central Valley project was first authorized by Congress to include Shasta and Keswick Dams and powerplants, the Delta Crosschannel, Contra Costa Canal, Delta-Mendota Canal and Friant Dam, Friant-Kern Canal, and Madera Canal. The project was reauthorized in 1940 to include distribution systems from the main canals. In October 1949, Congress reauthorized the project to include the American River features, and in 1950 to add the Sacramento River canals. In 1955 the Trinity River division of the project was reauthorized.

The next large area with a critical immediate need for additional supplemental water supplies lies on the west side of the San Joaquin Valley, part of which—the San Luis area—is proposed for development under legislation now before the committee.

In its relation to the Central Valley project the San Luis unit would be a further stage in the process of capturing winter waters in northern California and after meeting needs there, transferring the surplus to water-short areas to the south. This is the purpose of the irrigation features of the Central Valley project as planned by State and Federal agencies over the last 35 years. It has been and is being planned and constructed in stages to meet the needs of various localities as these needs develop, and at the same time, it is being designed to fit into plans for future use in other areas. The plans for the San Luis unit are an example of the way in which the existing project facilities can assist future expansion of the project area.

In addition to possible changes in the plan to accommodate full integration with the Feather River project, the Bureau of Reclamation has studied one important change in the plan of development and operation of the San Luis unit to take advantage of the offer by the Pacific Gas & Electric Co. to exchange energy on a more favorable basis than possible under present contracts. Studies show that under certain conditions it would be justifiable to invest additional funds for a forebay to the San Luis pumps and for enlargement of the capacity of those pumps to permit use of off-peak energy for pumping. This additional cost, coupled with the estimated cost of the original report plan indexed to present-day construction costs, results in a current estimated cost of the San Luis unit of \$290,430,000, exclusive of distribution and drainage systems. Payout studies, based on this estimated cost and the present estimated cost of the Trinity River division, show that project costs can be fully returned during a 50-year repayment period, either under all-Federal development or joint development of the Trinity River division, without increase in prevailing Central Valley project rates for either power or present water service. Surplus revenues would amount to more than \$65 million under all-Federal development of the Trinity River division. Under joint development surplus revenue would total more than \$200 million. The distribution and drainage system costs are now estimated to be \$192,650,000. These costs would be repaid by the local districts under separate contracts if constructed by the United States.

Addition of the San Luis Unit to the Central Valley project will, of course, have an impact on our ability to provide electric power to preference agencies from the Central Valley project. If the Trinity power facilities are constructed by the Federal Government, the service to preference agencies would decrease from 650,000 kilowatts to 470,000 kilowatts. If the Trinity plants are constructed by Pacific Gas & Electric Co., the service to preference agencies would drop from 400,000 kilowatts to approximately 290,000 kilowatts, the amount required to serve only the Sacramento Municipal Utility District and other minor contracts. These decreases in service to preference agencies were, of course, taken into consideration in the payout demonstrations previously mentioned. Under either circumstance of Trinity power development we support approval of the San Luis unit.

Much of the service area of the San Luis unit is now in large ownerships. Westlands Water District, which includes two-thirds of the entire San Luis water area, is mindful of the provisions of reclamation law with regard to acreage limitations in single ownerships. Members of that district, in appearing before your committee in May of 1956 and January 1958, indicated their willingness to comply with those provisions of reclamation law. However, the Southern Pacific Railroad Co. which owns approximately 120,000 acres of land in the service area, 65,000 of which are in the Westlands district, informed the Bureau of Reclamation by letter of October 1, 1956, that it was "not prepared to commit these lands for sale under the usual Bureau of Reclamation recordable contract." The company further stated that it neither sought nor expected any Federal subsidy in the form of 40-year, interest-free money, but was willing to pay its fair

share of the irrigation benefits provided the capital and operating costs are such that the land and crops can afford to do so. The company, however, in a statement presented to the Senate Interior Committee last March in hearings on S. 1887 indicated that if the Federal Government undertakes the San Luis unit it wishes to cooperate, recognizing that this might involve signing of recordable contracts. The legislation which we recommend be enacted requires compliance with the land limitation provisions of reclamation law.

H.R. 301, in section 3, sets forth several provisions and principles to guide preparation of an agreement between the United States and the State of California for coordinated operation and joint use of the facilities of the San Luis unit. In many respects these provisions and principles contain the heart of the proposal for joint development. Among other things they contain safeguards to assure operation of the San Luis unit as planned to thus protect the Federal investment during the repayment period. We regard such provisions as of basic importance to Federal participation in any joint development of the San Luis unit.

Mr. DOMINY. It is a pleasure to appear here before your committee in support of the pending legislation.

I believe, Mr. Chairman, that a departmental report has been incorporated in the record.

I do not think I should take the time of the committee to read the report.

I recognize that since that report is on Senate 44 prior to the suggested amendments that Senator Kuchel proposed, that there is little to gain by reading that into the record at this point. I think I should follow your directive and speak more specifically to the bill as proposed for amendment.

Senator ANDERSON. Do you find that the amendments proposed by Senator Kuchel help to carry out some of the recommendations made by the Department of Interior?

Mr. DOMINY. There is one amendment proposed in the departmental report which recommended a change in language on a portion of the bill which has been changed by Senator Kuchel's proposed amendment but the change as proposed by Senator Kuchel does not comport with the change proposed by the Department. In that regard—

Senator ANDERSON. We better have that as we go along now.

Mr. DOMINY. Very well, sir. In the Department's report, and I read:

In order to clarify certain of the provisions of the bill dealing with the sharing of costs, we suggest the following amendments for the committee's consideration.

"1. In place of the sentence appearing in line 12, through 18 on page 2, substitutes the following: 'upon agreement by the State or some other public agency to equitably share the cost as later provided in this Act, those joint use facilities may be constructed initially either to permit future expansion or to the capacities necessary to serve both the San Luis unit service area and the State's service area.'"

Senator ANDERSON. Are you going to comment on the language suggested?

Mr. DOMINY. Yes, sir. I propose to.

Senator ANDERSON. His language, I assume it is this language, "those joint use facilities shall be constructed so as to permit future expansion or shall be constructed" initially to the capacities necessary to serve both the Federal San Luis unit service area and the State service area as hereinabove provided?

I take it that this language is exactly what Congressman Hagen was talking about where the Government would go ahead and build it to the full capacity regardless.

Mr. DOMINY. That is right, sir. In commenting I would like to point out that the connotation of the Department's suggestions would leave this in the permissive category rather than the explicit directive category as would be accomplished by Senator Kuchel's language. It would also under the Department's proposed language, the additional capacity would not be built, or at least would not be a requirement or even a permissive point in the absence of agreement with the State to pay their part of the additional cost. The language as proposed by Senator Kuchel would require as part of the authorization that if the Federal San Luis project is to be built that the capacity for the State participation would be put in the works.

Senator ANDERSON. I think that would have a rough time, maybe, in the Congress. That is trying to tack on an awful burden, it would seem to me, Senator Kuchel, for which the Federal Government gets no recompense at any time.

Mr. DOMINY. That is not necessarily the case, Senator.

Senator ANDERSON. Wait a minute. If you build it to large capacity and the State does not come in you have a lot of waste motion, have you not?

Mr. DOMINY. That is true, but I would like to point out that in the later section of the bill, whether or not the Secretary would go on and build the project in the absence of an agreement is left to his discretion.

Senator ANDERSON. If he has a legislative mandate which says "he shall build it," you do not mean to tell me he is going to defy the Congress, do you?

Mr. DOMINY. The same bill reverses itself to this extent. This merely says if he built any Federal project it shall have the capacity in it. Whether he builds any project or not is later modified to some extent by this same legislation.

Senator ANDERSON. Does it not mean, then, if we authorize the Federal project with this language in it that the Secretary has the authority not to build it at all?

Mr. DOMINY. In the absence of agreement with the State to pick up their equitable share of the total capacity, yes.

Senator ANDERSON. Does not that merely say the people in the San Luis unit, that they do not get a project unless the Government gives them special \$100 million donation?

Mr. DOMINY. It has some—

Senator ANDERSON. I do not see where we got that language. The language in the bill last year was pretty good. I say frankly, Senator Kuchel, that I would think this language would cause some people a little worry.

Mr. DOMINY. May I call your attention to the language that appears a little later in the bill. It is—

Senator ANDERSON. Spring may come a little late this year but just the same I do not like this provision at all.

Mr. DOMINY. It starts on the bottom of page 3 and reads:

The Secretary shall not commence construction of the San Luis unit, except for the preparation of designs and specifications and other preliminary work until the execution of such agreement between the United States and the State.

That agreement referring to equitable showing of costs.

Senator ANDERSON. Go right on, though.

Mr. DOMINY (continues reading) :

if such agreement has not been executed by July 1, 1960, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act.

Senator ANDERSON. Therefore, his option of the State does not come in—is either to build it the way the State wants it or not build it at all.

Mr. DOMINY. That is true, sir.

Senator ANDERSON. That is the equivalent of a shotgun wedding, is it not?

Senator KUCHEL. No.

Senator ANDERSON. Why not?

Senator KUCHEL. Let us back up a little bit and see whether we can get precisely what the intent was by which this word “may” was stricken. I think it lies in the desire of the people to have this joint construction, in case they wanted, it should be made clear that it would be mandatory upon the Secretary to proceed if the required preliminaries were satisfactory, and agreed to, by the State and the Secretary. I do not think that it is in the mind of anyone that that change was made to bind the Federal Government willy-nilly to build a 2,100,000 acre reservoir and perhaps, Mr. Chairman, because I know the Department has recommended this bill now for the second time, perhaps the precise reason for that change in language might be given by one of the representatives of the State government here. I wonder if we might interrupt Mr. Dominy’s testimony to that extent.

Senator ANDERSON. I do not know anything about legal niceties but I still read the English language. They have to be built as a joint operation. If the State does not go into it then the Secretary of Interior shall consider whether he will or will not build it, if he decides he will build it, it has to be for the joint use of both the State and the Federal Government, whether the State puts up one nickel on the \$400 million project.

You must know that that is what is designed to kill the bill, I would think.

Senator KUCHEL. Mr. Chairman, might Mr. Brody, a lawyer and assistant—

Senator ANDERSON. Mr. Brody, take the chair and go ahead.

Senator KUCHEL. Would you describe, Mr. Brody, what you understand to be the reason prompting this one change?

STATEMENT OF RALPH BRODY, DEPUTY DIRECTOR OF WATER RESOURCES DEPARTMENT OF CALIFORNIA

Mr. BRODY. If I may before I do that, Senator, I would like to point out this entire sentence, and I think that perhaps we might throw some further light on this.

Senator ANDERSON. You recognize as I do that we are dealing here with legislative intent.

Mr. BRODY. Yes, sir.

Senator ANDERSON. This is not a private conference, but a legislative hearing.

Mr. BRODY. Yes, sir.

Senator ANDERSON. The legislative language was one way in the bill. Now there is an amendment that strikes it out and substitutes something else.

Mr. BRODY. Yes, sir.

Senator ANDERSON. The courts have been called upon to construe it, and I always say to Senator Allott—I speak freely, not being a lawyer—the courts called on to construe this have to look to legislative intent. Why did they strike out the language that permitted the Secretary of the Interior to build it Federal Government size only if the State did not want to join?

Mr. BRODY. The reason for that, Senator, was that initially they wanted to provide, with the desire to save the cost with respect to future expansion of the project, that the initial construction would be performed so as to permit future expansion, not to provide the additional capacity initially. If I may point to the specific language here—

Senator ANDERSON. Just a minute. You say that again.

Mr. BRODY. If you are constructing a reservoir which later is going to be enlarged, you can effect a considerable saving by providing for that enlargement initially in initial construction.

Senator ANDERSON. You can build it bigger in the bill—

Senator KUCHEL. No.

Mr. BRODY. We are talking about foundation structures and other related matters, sir.

Senator ANDERSON. Precisely.

Mr. BRODY. Without providing the additional storage capacity.

If I may refer to the language in that connection, I think I can clarify it in that context.

The sentence itself states: "Those joint-use facilities shall be constructed so as to permit future expansion" and then later after the stricken portion is eliminated it provides another alternative and it states, "or shall be constructed initially to the capacities necessary to serve both the Federal San Luis service area and the State service area as hereinafter provided." The "as hereinafter provided" is covered in the portion of the act in section 3 which requires that before the ultimate capacity can be provided there must be an agreement between the State and the Federal Government so that the initial portion of the sentence to which I refer merely refers to the provision of construction which will permit future expansion.

And then at any point of time that the Secretary of the Interior provides the additional capacity there must then be in existence a contract between the State and the Federal Government.

Senator ANDERSON. You think that what is in section 1 modifies what is in section 2 or what does it modify?

Mr. BRODY. I think what is in sections 2 and 3 limits what is stated in section 1.

Senator KUCHEL. That was your intention when the language was changed?

Mr. BRODY. Yes, sir. That at any time that the full capacity is provided if the State is to avail itself of that, that there must be a contract in existence between the State and the Federal Government.

Senator ANDERSON. Am I wrong on this question I asked a moment ago about the canal? Does it follow one route if it is for both? One

route for Federal and a different route for both? Am I wrong, Mr. Banks? Did I not fly over and see where the canal went further up the hill if it is a joint project than the other would? Did you not go through the whole area full of volcanic ash there? They admitted construction is going to be extremely expensive and that accounts for additional \$100 million or \$50 million or \$60 million that is going to go into it.

Mr. BRODY. Senator Anderson, we have two canals concerned here in this area. We have the one shown in red which would be jointly used by the Bureau and by the State in transporting water. Then there is a branch canal, called the Pleasant Valley Canal, which would be solely used by the Bureau for service. But as far as the transport of water in the main canal, San Luis, to this point, or between the State and the Bureau of Reclamation, it would be in this canal as shown here, a jointly used transportation facility. The Bureau would pump out of this from this canal into a higher canal to serve some of the higher lands, what is called the Pleasant Valley Canal. The State will have to build another canal.

Senator ANDERSON. I am not talking about that one. I know the Tracy pumping plant and the rest of that story.

Mr. DOMINY. I wonder, Senator Anderson, if you have reference to a fact that the State would have to build a second canal that parallels our Delta-Mendota Canal?

Mr. BRODY. Yes.

Mr. DOMINY. I think that is what the Senator has reference to. There will be a second canal there.

Mr. BRODY. There will be a jointly used canal from this point to this point here as far as the main canal is concerned. That is where the major savings come in as between the joint effort.

Mr. DOMINY. But there is not sufficient capacity in the Delta-Mendota Canal so there will be a Feather River aqueduct built from the delta higher up on the hill.

Mr. BRODY. That is correct.

Mr. DOMINY. From there to the San Luis Reservoir. I think that is the canal you have reference to, Senator.

Senator ANDERSON. No; it is not. I am sorry.

Will you state then for the record, Mr. Banks, that if the San Luis project is built as a joint State-Federal project, the red line canal, which is down there, will have just the same capacity, under that project as it will if it is only a Federal project?

It is not my understanding that that is correct.

Mr. BRODY. No. If I in any way implied that I am sorry.

Senator ANDERSON. That is what I am talking about. They have been showing me in order to get the capacity on that red line that you moved it back farther up the bank. It goes, and I could take you to it, to a place that erodes back a little bit in which there is volcanic ash and has additional money to it as I understand it, if it is a joint occupation.

I am trying to find out if the language of this bill would require the Federal Government to put in the foundations for the dam which are extremely expensive, stretch all the capacity out, and then just raise the dam only 200 feet, let's say, where it might go 300 feet if we had the total cost of it. When you get to that, then we are going to

ask the Bureau of Reclamation what the relative share of the Federal Government is going to be on that type of construction.

We will now hear from Representative Sisk.

**STATEMENT OF HON. B. F. SISK, A U.S. REPRESENTATIVE FROM
THE 12TH DISTRICT OF CALIFORNIA**

Mr. SISK. Mr. Chairman, I deeply appreciate this opportunity to make a statement to your committee on the San Luis unit of the Central Valley project. This project involves irrigation of a sizable part of the district I represent as well as the hopes of the entire State of California for a start toward solving its complex north-south water transmission problems.

It is indeed fortunate that as the Representative of the immediately affected district, I have been privileged to work together with the two Senators from California, the Honorable Thomas H. Kuchel and the Honorable Clair Engle, on this legislation. Thus there is agreement between my State's distinguished Senators on both sides of the aisle, and four other Representatives from California and I have introduced a bill identical to theirs in the House.

Other witnesses far better qualified than I will present the engineering facts and the financial and economic values of the project. While these are important and basic, I would like to point out that they are not the ultimate values with which the Nation is concerned in carrying forward the reclamation program. We are not merely trying to irrigate land or create crops or reclaim desert, except as these enterprises may be used as tools to promote the welfare of the people of the United States, to provide them with homes and businesses, to improve their opportunity to make a living and raise their families and enjoy the freedoms and opportunities of America.

It is with these human values of the San Luis project that I am primarily concerned. As a member of the House Committee on Interior and Insular Affairs, I know that your committee will want to know the answer to this question: What is it going to do for people and will the people of the United States benefit directly and indirectly if this project is built?

I am going to direct your attention briefly to some of the human values involved in the San Luis legislation which is before you.

As of 1950, and there has not been great change since then, the San Luis service area had about 22,500 residents in a strip 65 miles long and 13 miles wide on the western side of the San Joaquin Valley. Some 10,500 people live in the rural areas and another 12,000 in three small cities in or adjacent to the service area. The people of these towns have struggled hard and effectively to improve their communities, but even they admit there is much to be desired in the way of business and community facilities.

What do they face in the future if this project is not provided? Much of the cultivated land which is the basis of their economy will revert to desert. They will have to leave and seek livings and homes elsewhere, for without water, they will have no jobs and no businesses. This will be a desert in the middle of the finest and most productive agricultural area on the face of the earth, starved out of existence by lack of water.

But if San Luis is built, according to careful studies, the present population of the area will almost quadruple. There will be 27,000 farm residents, 30,700 rural nonfarm residents, and 29,800 city dwellers; in all, 87,500 people sharing the productivity and the bounty of fertile lands blossoming with an ample supply of San Luis water.

Why will this land support four times as many people if this project is built? Because it is inevitable and historic that under the impact of reclamation laws, as well as the economics of farm management and operation, these lands will break down into family-size units, each cultivated by individual owners and their families, a scale of farm operation which is largely impossible under present conditions of high costs and water uncertainty. Without an assured water supply, as you must realize, our lands cannot be operated in units which, with water, would provide a family living.

Recent surveys show that the land proposed to be irrigated is now in 1,050 ownerships. These studies show that with San Luis built, there will be 6,100 farms, nearly a sixfold increase. And in the breaking up of farms to family-size units, antispeculation and other provisions of the reclamation laws will assure fair prices.

Today the main crops are grain and cotton, which lend themselves to larger scale farming operations, with a minor acreage of irrigated field and truck crops. With San Luis built, studies show, the emphasis will shift to truck crops, field crops, alfalfa, fruits and grapes and irrigated pasture. I believe production of surplus crops will decrease. I need not remind you gentlemen who are concerned with surpluses in crops your areas raise, that such a shift would be helpful to your people and to the Nation.

It takes money to support families. It takes farm income to pay the grocer and the hardware merchant and to clothe and feed and educate children. It takes money to provide the income taxes that keep our Government operating. How will San Luis affect the income of the area and the tax base of the Nation?

The productivity of this land is fantastic, with water. Even today, at great cost and with an uncertain water supply, the area is producing crops with a gross yearly value of about \$50 million. The net value of course is much smaller. Falling water tables, increased expense, and the eventual impossibility of farming large acreages, make it inevitable that, without San Luis, this production will be rapidly pinched off. Without San Luis, it is figured, long-term net farm income would be reduced to \$8,173,000 a year. This amount simply could not support the economy of the area. It would wither. People would be forced to leave. Not more than 150,000 acres could be farmed out of over 400,000 potentially productive acres. I think you will join me in the feeling this would be a tragic and inexcusable waste of our resources.

What can we expect with San Luis built? Instead of a net of \$8,173,000 a year, without the project, we would have a net farm income of \$35,216,000 a year with the project. As production and farm income and population grow beside San Luis canals, new services and businesses will spring up and nearby towns will prosper. Shipping will increase, locally and in major centers of the State and Nation. In addition to the direct benefits, secondary benefits to the Nation are figured at \$27,632,000 annually, and that will flow into

every district of the United States, and help people there, too.

California's people all over the State will receive additional benefits in lesser costs for the statewide water system, because this proposal offers true Federal-State cooperation in the maximum development of our water resources for the benefit of all the people.

The people of the city of Coalinga will for the first time get a potable domestic water supply. In the past, drinking water has cost these people the incredible price of \$2,150 an acre-foot. There are some important incidental benefits, too. People in a dry land will have the opportunity for water sports and family recreation.

As we sit in Congress considering these matters and trying to serve the people of our districts and the Nation, we are concerned with more homes, more farms, more businesses, and more opportunities for the people making up our rapidly expanding population. We are seeking to make our great land resources available to provide more and better living for more people. This, I believe is the real and ultimate goal of the reclamation policy laid down by Congress more than a half century ago, not merely to irrigate land and produce crops.

With all the sincerity and depth of conviction I possess, I say I know of no project which more admirably and directly fits the purposes and objectives of our national reclamation policy than does the San Luis unit of the Central Valley project. I ask your sympathetic consideration and agreement.

STATEMENT OF HARVEY O. BANKS, CALIFORNIA WATER RESOURCES DEPARTMENT

Mr. BANKS. For the record, it is proposed that the canal, which is shown in red on this chart under the joint Federal-State venture, would be used jointly by the Bureau of Reclamation to service its service area and by the State in the transport of water from San Luis southward to its service area lying south of the Federal service area.

Senator ANDERSON. Will it be the same size?

Mr. BANKS. No. Under the joint venture it will not.

Senator ANDERSON. What has to be built under the language of this act as you now have it, if the Secretary is going to build it as a Federal project, he still, under the language of this act, has to build that canal deeper, with all of the rest of the things that go along with it, does he not?

Mr. BANKS. I must admit, Senator, that I am not a lawyer.

Senator KUCHEL. What is the intent?

Mr. BANKS. The intent is that the dam itself, the pumping plant and this canal, would be so constructed as to permit future enlargement. If I may amplify as to why that should be done, irrespective of whether or not the State does come into the picture, it is this: If the State does not, the time will come when water will have to be transported south, probably by the Bureau of Reclamation at that time.

It has always seemed to us that it would be in the public interest in any event to so construct these facilities so that they can be enlarged and the service area expanded at such time as seems necessary, irrespective of anything the State may or may not do.

Senator ANDERSON. Do not misunderstand me Mr. Banks. I am very much in favor of this being built as a joint project. As you

know, I am staunchly in favor of going ahead with the project. There is no question about that.

But I do think, since you are going to be dealing with Federal money, that you have to find out what the meaning of this language is, and I cannot read this except to say that it will cost the Federal Government a sum which I hope the Bureau of Reclamation will supply.

But if it is less than \$50 million or \$60 million, I would be greatly surprised. Can you estimate what it is going to take to put the foundations for the San Luis project in at the full size they would have for a full project; how much extra it will be to build this canal at the full size it would be as a State project as compared to what it will be if it is strictly a Federal project?

Is that where you get the difference between \$280 million and \$400 million?

Mr. DOMINY. To the ultimate capacities, the cost is in the range of \$292 million for the Federal project, and something over \$400 million for the combined project with full capacity there, Mr. Chairman.

Senator ANDERSON. That extra \$100 million is not for right-of-way, is it?

Mr. DOMINY. No, sir. It is for additional capacity, including additional right-of-way.

Senator O'MAHONEY. Mr. Chairman, may I interrupt?

Perhaps I should hesitate to admit that I am a lawyer. The chairman is doing very well not being a lawyer in his interrogation of the witnesses. I have, for the first time, read the amendment which is proposed to this bill.

In order to clarify the discussion, I should like to have its meaning explained by the witness, the witnesses who support the amendment. The original bill before the amendment reads as follows, and I am reading from page 2, beginning at line 8:

The work (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay pumping plants, and the San Luis Canal. Those joint-use facilities—

this was the original language—

Those joint-use facilities may be constructed to permit future expansion and, upon agreement by the State or some other public agency, to equitably share the cost as later provided in this Act shall either be so constructed or shall be constructed initially to the capacities necessary to serve both the San Luis area and the State service area.

The amendment strikes out the word "may" in line 13 and inserts the word "shall," inserts the words "so as" after the word constructed, and before the infinitive "to permit."

Then on the same line 13, after "expansion," strike out this phrase—

and upon agreement by the State or some other public agency to equitably share the costs as later provided in this Act shall either be so constructed or shall be constructed initially to the capacities necessary to serve both the San Luis unit service area and the State service area.

So it is clear that from that sentence there were alternative methods of construction. The amendment changes that, dropping the word

“may” and inserting the word “shall.” The amended sentence reads as follows:

Those joint-use facilities shall be constructed so as to permit future expansion.

Then the first contingency is dropped, the first alternative method is dropped, and only one method is left—

so as to permit future expansion, or shall be constructed initially to the capacities necessary to serve both the San Luis unit service area and the State service area.

Senator KUCHEL. Add the rest of the sentence, though.

Senator O'MAHONEY. I have read to the period at the end of the sentence.

Senator ANDERSON. The words “as hereinafter provided” comes down there, but does not mean anything to me.

Senator O'MAHONEY. When you put a period at the end of a sentence, a lawyer would ask for a construction of the sentence.

Senator ANDERSON. They added words, Senator, “as hereinafter provided.”

Senator O'MAHONEY. I see. And the word “Federal” is left out there, too.

Senator ANDERSON. Yes. It leaves these alternatives: You have to build it so as to permit future expansion, which means foundations and everything else, or you have to do the whole thing at one time in the final capacity.

It is not the same alternative you had originally, at all.

Senator O'MAHONEY. The insertion of the word “shall” was intended to make it obligatory. What was the objection to striking out the clause—

and upon agreement by the State or some other public agency to equitably share the costs as later provided in this Act shall either be so constructed?

That is the end of the clause that was eliminated. Why was that dropped?

Mr. BRODY. The purpose of that deletion, sir, was to eliminate the necessity for an agreement prior to the time that the Secretary commenced construction; that the agreement would be a condition precedent to the State's ability to participate in the project or to enlarge the project at a later date.

Senator O'MAHONEY. So that it is, as you now testify, designed to make it possible for the Federal Government to begin the work for the expanded project before there is an agreement with the State?

Mr. BRODY. As to the possibility of providing that type of construction which can later be enlarged; yes, sir.

Senator O'MAHONEY. So it is clearly a design to authorize the Federal Government to build this project without any definite agreement in advance that the State will cooperate?

Mr. BRODY. But not as to its ultimate capacity, sir. Only so as to permit the initial features, to permit future expansion.

Senator ANDERSON. What he is trying to say is if you are going to build an office building, you can build it with foundations to carry it up to 12 stories, but you only have to build it one story. Some of us know that costs a little more than if you decide to build a one-story building. That is the situation here.

You are asking the Federal Government to lay out from \$50 million to \$75 million, I would think—but the Bureau of Reclamation will tell us what it is—without any hope of reward. If the State finally decides to come in, fine; but if it does not, there sits the Federal Government with massive foundations that it does not need, with canals larger than it can ever utilize, and all they have is the fact that the State has decided not to come in.

Senator KUCHEL. Senator, that is not so.

Senator ANDERSON. You show me where it is not so. You read it so it is not so. We can both read it. We know that is so, exactly.

Senator KUCHEL. But the Senator, when he made that last statement, said that the money which the Federal Government would expend for a type of underpinning that would permit expansion would be wasted money. That simply is not so. I think Mr. Dominy from the Bureau of Reclamation will——

Senator ANDERSON. Let any engineer testify that wants to. If you build foundations bigger than you need, build the canal larger than necessary to carry the water and properly secured, you waste money; at least I think you do.

Do you not, Mr. Dominy? The fact that it is Federal money when you throw it away, it is still wasted; is it not?

Senator O'MAHONEY. Mr. Chairman, you are doing so well I hate to interrupt you, but I want to get the language into the record.

Senator KUCHEL. If I may interrupt, Senator O'Mahoney, I will stop. Our good friend made a statement, and I know he feels it is 100-percent accurate, but it is not. I want to go back. I recognize that this legislation is not going to move unless the chairman is convinced that it is in the public interest. I mean that.

So far as that extra money thing is concerned, it can be cleared up and it will be cleared up. Now, Senator, you go ahead and then we will get back.

Senator O'MAHONEY. I do want to clear this up.

Now, bear in mind it has been agreed by the witness here that section 1 has been amended so as to put the mandatory "shall" into the directive instead of the permissive "may" and so as to eliminate the prior requirement for an agreement by the State.

Go now to page 3 of the printed bill, section 2, to page 3 of the typewritten, amended bill, line 6. We have a sentence that reads as follows, and this is in both bills:

The Secretary shall not commence construction of the San Luis unit except for the preparation of designs and specifications and other preliminary work, until the execution of such an agreement between the United States and the State.

There is a negative directive.

But if such an agreement has not been executed by July 1, 1960—

and this is amended now to January 1, 1962—

and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act.

But Section 1 has been amended. Section 1, as amended, is the one which makes it mandatory upon the Secretary to build the en-

larged canal. Under section 1 as originally introduced, the Secretary would proceed only upon an agreement with the State on the enlarged facility.

Now, as amended, the Secretary must proceed, although the agreement has not been made, and then if he finds that there cannot be an agreement, he may build the project as provided in section 1. But the provision in section 1 which was contained there, when the language of section 2 was written, has been removed.

As it comes before us now, it clearly means that the Secretary shall build the enlarged canal whether or not he gets an agreement with the State. Is that not a correct interpretation of this language? If that is not what you want, I think you better change it, Senator.

Senator KUCHEL. May I make a comment?

Senator O'MAHONEY. Surely.

Senator KUCHEL. There are going to be constantly increasing water needs, Senator, in the San Joaquin Valley. There are going to be increasing water needs in southern California.

I think Mr. Dominy and the Bureau of Reclamation will indicate what my recollection is, as indicated to Senator Anderson, Senator Watkins, and myself last year, that it would be in the public interest to construct the reservoir at San Luis in a fashion that would permit additional storage because if the people in the State of California, the State government and the conservancy districts, were unable to agree, and if a complete impasse were reached where no State activity would take place, I believe the Bureau of Reclamation would tell you that the Department of the Interior would recommend feasible reclamation projects for the lower part of the San Joaquin which would require the storage capacity of the San Luis Reservoir, and to that extent it would be in the public interest no matter from what source supplemental water were subsequently to come; it would be in the public interest to have the reservoir built in a capacity to permit future enlargement.

Was that not the indication that the Bureau gave us last year, Mr. Dominy?

Mr. DOMINY. There has been some exploratory work done along that line; yes, sir.

Senator ANDERSON. Mr. Dominy, did you tell me when we started to build the Glen Canyon Dam we would have said, "Look, we want to build the Bridge Canyon Dam and four or five others, and we will build them all now even though Congress has not approved them because someday somebody would want them."

Do you mean that you would build that dam large enough to take care of something that has not been approved by the Congress, or the President of the United States? Is that your testimony?

Mr. DOMINY. No, sir.

Senator ANDERSON. I did not think it was.

Senator KUCHEL. Here is what the Senator and this committee said in writing when this bill was reported a year ago. I quote from page 6 of the San Luis unit report, if the Senator please. I quote as follows:

That with or without an agreement with the State, the San Luis unit reservoir and other facilities should be designed to provide an ultimate storage capacity of at least 2 million acre-feet even though only about one-half of that volume is required for the San Luis unit area.

and continuing to paragraph 7 of the report that this committee approved last year—

that the Congress should go to every extent possible to encourage the State of California to place itself in a position for the San Luis unit to be integrated with the State water plan, but California itself must compose its differences in order to pave the way for this desired result. In the event State integration should fail, the eventual extension of the San Luis service to the Avenal Gap—

and that is down south, I will say to the Senator, in Kern County—to the southward appears desirable.

Then on page 10:

Estimated Federal capital construction costs of the San Luis unit total \$290,430,000. Included in the total item is an item of \$10,814,000 for the added cost of making provision for doubling the capacity of San Luis Reservoir through additional basic footings and other features. Construction of distribution and drainage system is authorized, but provision is recognized for the probable construction of these facilities by local interests.

Senator ANDERSON. I think I can go right along with that.

Senator KUCHEL. That is what we just said.

Senator ANDERSON. No.

Senator KUCHEL. Where is there a difference?

Senator ANDERSON. One says "design" and the other says "design and construct." The Joint Committee on Atomic Energy wrestled a long time with the design for a gas-cooled reactor, but the Bureau of the Budget decided not to construct it. I know the difference if nobody else does.

I just want to say to my good friend from California that I do not question the desirability of going on with something else, but I also say to you that when you put into the bill that the only alternative, if you are going to construct it, is to construct it with a canal big enough to carry the whole load of the Federal and State project, and the footings big enough for the whole dam, you are adding a lot to the bill.

Senator KUCHEL. That is not what you said and what I said a year ago.

Senator ANDERSON. Yes. \$10 million does not begin to cover it.

Senator KUCHEL. That is what we indicated in our report last year and which the staff prepared for us.

Senator ANDERSON. I think the Senator from California prepared it. He did a fine job. He filed it.

Senator KUCHEL. No; I did not prepare it.

Senator ANDERSON. Can we have your testimony, Mr. Dominy, if \$10 million more would cover the cost of what they have in this amendment?

Mr. DOMINY. I would like to go on with what I had proposed to add before this very enlightening discussion took place.

In all seriousness, Senator Anderson, the reason I brought up this point was because the official report of the Department had recommended something quite different than what is now in the bill that the committee is considering.

I want you to know that I participated in the conference with all of the various interests of the State which resulted in the language which Senator Kuchel has proposed here today as an amendment to Senate bill 44. I have not, however, had time to clear this amended language with my superiors in the Department of the Interior, nor

have we had time to present it to the Bureau of the Budget and get a final position of the administration of this new language.

This is a very significant point. In all honesty, here is my judgment as to what this language does. I think it means that in the absence of agreement, to go ahead on the combined Feather River project of the State of California, and the Federal San Luis project as a joint undertaking, that the Federal project will not be built without additional consideration in Congress.

You notice that it says the Secretary "may." But he has to submit his plans to the Congress; it has to lay before the committees for 90 days. He would still have to go before the Appropriations Committee to get money.

In all honesty, I do not think the project would be built under this directive in the absence of an agreement with the State to share equitably in the costs of the joint project.

Senator ANDERSON. Do you believe that the Federal project is a feasible project?

Mr. DOMINY. Yes, sir.

Senator ANDERSON. Then why would it not be built if the Congress authorized it and the President said to go ahead?

Mr. DOMINY. Because under this language it is tied in with a joint construction of the Feather River project of the State. I think that is highly desirable. I think the Feather River project ought to be built. The Governor has testified that he is strongly in support of it, that he expects to exert his not inconsiderable influence in carrying forward the State's portion of this joint plan, which is really what we are considering here.

I am prepared to recommend to the Secretary, and I hope that he will join me in recommending to the Bureau of the Budget, the acceptance of this language, because it represents the combined agreement of all of the interests of the State of California interested in this very worthwhile development.

Senator ANDERSON. What do you think the extra costs are going to be?

Mr. DOMINY. I don't think there will be any extra cost. When we get the agreement, it will be a saving to the Federal Government.

Senator ANDERSON. If the State goes ahead. If the State does not go ahead, what will the extra cost be?

Mr. DOMINY. In that case, I have already said I doubt very seriously if this Federal project would be built under this authority. I think it would have to come back and have further consideration.

Senator ANDERSON. You have a concept of what full right the Bureau of Reclamation has. Do you not recognize that if the Congress says the Federal San Luis project shall be built, and the President signs that, that the Bureau of Reclamation does not have veto power over the President and the Congress?

Mr. DOMINY. I humbly call to your attention that the bill further modifies that in sections 2 and 3 to say that he may build it in the absence of agreement, and in saying that he may build it, it requires him to submit his report to Congress and it lies before the committees for 90 days.

I say that there is ample time for the Congress and others, including the Appropriations Committee, to make the final decision.

Senator ANDERSON. Show me again where he may build it.

Mr. DOMINY. It is in the language of both bills. It is in section 2.

Senator O'MAHONEY. That is the language I was reading.

Senator ANDERSON. I do not so read it at all. He may build it in accordance with one thing. But the previous order says he shall build it. You tell me where he gets authority to thumb his nose at the Congress and the President? You show me that in the bill.

Mr. DOMINY. You and I share one thing, Senator Anderson; I am not a lawyer either.

Senator ANDERSON. We both read the English language.

Mr. DOMINY. Yes, sir. And it says the Secretary—

shall not commence construction of the San Luis unit except for the preparation of designs and specifications and other preliminary work until the execution of such an agreement between the United States and the State.

The agreement referred to there is an equitable sharing of costs between the Federal Government and the State.

Senator ANDERSON. We got into a big argument with another public official one time because he quoted the law to the proviso and dropped out the rest of it. It says "but".

Mr. DOMINY (reading):

But if such an agreement has not been executed by January 1, 1962, and if after consultation with the Governor of the State the Secretary determines that the prospect of reaching accord and the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1.

Senator ANDERSON. What was he ordered to do in section 1?

Mr. DOMINY. He is ordered to build it with the capacity. But now it says he may proceed. I leave it to my good friend, Senator O'Mahoney, who is a great constitutional lawyer, to clear up the point as to whether that does not modify the directive of "shall" in the first section.

Senator O'MAHONEY. He may proceed without an agreement with the State. Does not this amendment clearly mean one thing—that the drafters of it were preparing for the contingency that the State would not agree?

Senator ANDERSON. That is right.

Senator O'MAHONEY. The testimony this morning all indicated that the State would agree. Why can we not put the bill in that form? I am convinced that we ought to build this joint project, State and Federal.

The Governor testified this morning that he is confident a bond issue will be made, and that the legislature will agree. He counted the noses. There seems to be complete agreement that the State of California was going to go along with a vast program of water development. I was delighted to hear that testimony.

California will be the leading State in population and in industrial production in all probability when we make this water available. You have a lot of Members of Congress in both Houses who are quite willing to cooperate with you, but when you come in with an amendment which clearly obviates the necessity for an agreement with the State at the beginning, you raise questions.

Mr. BRODY. May I make an observation, Senator?

Senator O'MAHONEY. Surely.

Mr. BRODY. The purpose in suggesting the amendment was simply this. It was not to require the Secretary of the Interior, nor do I believe it had the effect of requiring the Secretary of the Interior, to proceed with construction in the absence of an agreement with the State of California.

But the effect of the document now, as I understand it, as it was intended to be, was that if he did proceed with construction, then in that event he must then provide, in the absence of an agreement, if he proceeds with construction, he must proceed——

Senator O'MAHONEY. Let us read section 1 again. You are using the draft of the amendment?

Mr. BRODY. Yes.

Senator O'MAHONEY. The last sentence on page 1 begins with the word "those." Do you find it?

Mr. BRODY. Yes, sir.

Senator O'MAHONEY (reading):

Those joint-use facilities shall be constructed so as to permit future expansion, or——

there is either "or"——

shall be constructed so as to permit future expansion, or shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State service area as hereinafter provided.

Now, is that not a plain, direct order to construct this project so that it will be capable of being expanded to include the State project if the State project should ever be built, should ever be agreed to?

Mr. BRODY. That is correct, sir, with one qualification which I would submit.

Senator O'MAHONEY. What is that?

Mr. BRODY. If we turn to page 3 of the typewritten draft, in the sixth line, there is a limitation which says that the Secretary shall not commence construction except upon the meeting of certain conditions. I respectfully submit——

Senator O'MAHONEY. He begins with the preparation of designs and specifications and other preliminary work until the execution of an agreement. But if we go on, it says if the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this act. But section 1 of the act you have changed.

Mr. BRODY. But I would submit, sir, that by applying the language in both sections of the bill, the permissive nature of the words "he may"——

Senator O'MAHONEY. Do you not agree that you are dealing now only with a project which contains these two alternatives and these only?

Mr. BRODY. Yes, sir. If he builds anything.

Senator O'MAHONEY. If he builds anything, it must be such a project as to permit future expansion, or it must be constructed initially to the capacities necessary to serve both of the units.

Mr. BRODY. Yes, sir.

Senator O'MAHONEY. That is the only thing he can build.

Mr. BRODY. If he builds at all; yes.

Senator O'MAHONEY. If he builds at all.

Now, the proviso on page 3 says that if the Secretary so determines, that is to say, that there is not going to be an agreement, "he shall report thereon to the Congress, and shall not commence construction for 90 days." That is only 3 months.

It reads—

Ninety days from the date of his report. In considering the prospects of reaching accord on the terms of the agreement, the Secretary shall give substantial weight to any relevant, affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis Unit, or assistance given by it in financing Federal design and construction of the unit.

Now, I ask you: Why would it not be possible to draft this bill as it was originally designed, so that it would be contingent—that is to say, for the double unit construction—it would be contingent upon an agreement with the State?

Your answer may be it is desirable—and this, I think, is Senator Kuchel's answer—it is desirable to have the Federal Government build the project in such a form that at anytime in the future, if the State does not agree now, it may later come in and agree and then you may add the State unit.

Mr. BRODY. That is precisely what we had in mind, Senator.

Senator O'MAHONEY. Well, that is the issue.

Senator KUCHEL. If a language change could eliminate what my good friend, Senator O'Mahoney, calls the issue, I think everyone in this room who is a party to the legislation would want the language changed.

I respectfully suggest to my colleague that there is no fundamental issue here. On the language, if Senator O'Mahoney will take a look at the mimeographed bill, the next to the last line on page 1, if we change the words which start the last sentence from "those joint-use facilities" and substitute "the dam and reservoir shall be constructed," then you at least would eliminate the questions which Senator Anderson raises with respect to any canals.

Then on page 3 of that mimeographed piece of legislation I think the committee might well consider the alternate authority which the bill clothes the Secretary of the Interior with; rather, having him proceed in the alternative with the construction "in accordance with section 1 of this act," if that happens to be the stumbling block.

I respectfully suggest that his authority would be to proceed to construct the dam under Federal reclamation law. There will not, I submit, be any problem with respect to this legislation. You have heard the Governor of the State suggest that the State legislature is going to go along.

Senator, this legislation, if passed, will provide the impetus to the Legislature of California to accede to the request made by Governor Brown. You will have this legislation truly integrated with what the State does.

Senator O'MAHONEY. Why not draw it in such form as to make it mean that the Secretary of the Interior may build this double-use facility if the State agrees to the joint payment?

Senator ANDERSON. That is exactly what the original language of the bill provided, and that is what they are trying to get away from.

Mr. BRODY. I think there may be a misconception as to what motivated this suggested change. If I may, I would like to make a brief statement in that connection.

Senator ANDERSON. All right.

Mr. BRODY. If you will note on page 2 of the draft of the bill, about a fourth of the way down on the page, it says—

Construction of the San Luis Unit shall not be commenced until the Secretary has (1) secured or has satisfactory assurance of his ability to secure all of the rights to the use of water necessary to carry out the purposes of this project, and receives satisfactory assured from the State of California that will make provision for master drainage—

and so forth.

Later on in the bill there is provision for execution of a contract between the State and the Federal Government, the specific items of which are to be included are also provided for.

There is a cutoff date of 1962, as you will recall, in the bill at the present time. There was some concern among the local interests that—I am trying to put this as mildly as I can—that if an area of disagreement arose in which the Secretary of the Interior might feel that it would be to his advantage, to say, “We do not have satisfactory assurances as to water rights,” not because the assurances were not there, but rather, because he might prefer to go ahead with Federal construction alone on the smaller project—again realizing the kind of fears and suspicions which arise in this kind of situation, that they wanted to make certain that if, through arbitrary action of the Department, a contract was delayed, that at least before he proceeded with construction there would be the insurance that the basic facilities would be there which would permit enlargement if that contract could be negotiated at a later point of time.

Fundamentally, that was the sole purpose for suggesting this amendment.

Senator ANDERSON. Why the cutoff date? That is what the cutoff date does. That gives you until January 1, 1962.

Mr. BRODY. But they were fearful that the kind of delay which might be occasioned through, perhaps, arbitrary action—and I am not saying I sympathize with that kind of viewpoint, but nevertheless it might exist—that that cutoff date might arrive, and at that point of time the Secretary would say, “Well, I am going ahead, and I am only going to construct sufficiently to serve the Federal service area.”

Then the State would be foreclosed, except at considerable additional cost. I will state from my own standpoint and from the Governor’s standpoint that we are confident that by 1962 and perhaps a much earlier date there will be an agreement in effect between the State and the Federal Government. There is no doubt in my mind whatsoever.

Senator ANDERSON. Why have we not a right to be confident when we write the legislation, and write the legislation the way we had it?

Mr. BRODY. I am not suggesting that this removes any element of confidence which you might have.

Senator KUCHEL. While you may well take that position, Mr. Brody, here, gentlemen, is the first time that we have had all interests in our State agreed on this legislation. To turn the thing around, if this does no harm to anyone, I will say to the chairman, why not leave it in?

Senator ANDERSON. It does a lot of harm to some of us. You see, here is a project that at \$292 million is attractive. If the State comes in, it runs to \$400 million. If he goes ahead and builds it anyhow, large size and giant economy size all the way through, we throw away \$40 million or \$50 million by a party that is being accused of being lavish spenders anyhow.

Senator KUCHEL. What is your authority for that sum?

Senator ANDERSON. The difference between \$292 million and \$400 million is \$110 million, and it is not all in foolishness. Most of it is in extra size that you have to build this. I have gone through this project by the hour. Somebody gave me an estimate one time of the difference, if you went ahead and constructed it on the large economy size and built it just on the Federal size, even if you did not have the State in it.

I am going to ask Mr. Dominy to get up some figures and bring them to us.

Senator KUCHEL. I suggest we pass judgment on it, if the Senator will let me do so, on page 10 of the report.

Senator ANDERSON. That is only a tiny portion, on the basis of the dam. There is a whole lot more than that.

Have you a figure, Mr. Dominy? Somebody gave me a figure on the coast or in a committee meeting as to the difference in doing it. This is not the first time. I think it is \$50 million invested that we do not have any right to talk about.

As I said, this Congress is already being accused of being wasteful spenders. Somebody has to have regard for \$50 million.

Mr. DOMINY. The figure I have is \$292,430,000 on the Federal part. If the State project is built with the Federal, and we provide all the capacity in the joint facilities, that would run the cost up. At the moment our estimate is \$480 million.

Senator ANDERSON. Well, I was \$80 million shy. I said \$400 million. So from \$292 million to \$480 million is greater. Of that \$188 million, how much of it is just due to the extra construction to take care of what they say here? If you will get us a figure, it will be well over \$50 million.

Senator KUCHEL. Will the Senator yield?

Senator ANDERSON. Yes.

Senator KUCHEL. Let me read from the letter which Secretary Seaton wrote to Senator Murray last July on that very point.

Senator ANDERSON. You will find it deals with the dam.

Senator KUCHEL. Senator, I suggest that we amend this bill to tie it down to the dam so that we get away from the Senator's quite relevant point.

Anyway, let me read on page 7:

The estimated cost of San Luis Dam and Reservoir constructed to 1 million acre-foot capacity and designed to serve the San Luis unit only is \$56,364,000. The added cost of making provision for later enlargement is \$10,814,000. However, even if it is built as an all-Federal project, future enlargement of San Luis' Reservoir to 2 million acre-foot capacity would be contemplated to serve lands further south in the San Joaquin Valley in the potential Avenal Gap unit service area. For this reason, the cost of providing for enlargement is included in the original plan for San Luis Dam and Reservoir, and is reflected in the \$290,430,000 total estimated cost of the San Luis unit supply works.

I ask unanimous consent that—this is signed by Secretary Seaton. I ask that the entire letter go into this year's record.

Senator ANDERSON. Without objection, it will be put in in full.
(The letter referred to is as follows:)

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 30, 1958.

HON. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR MURRAY: This responds to the request of June 25, 1958, from Senator Anderson, chairman of the Subcommittee on Irrigation and Reclamation, for the views of this Department on the proposed amendments contained in Committee Print No. 2, dated June 25, 1958, of S. 1887, the San Luis unit, Central Valley project, authorization bill.

Subject to the consideration of the views expressed herein and our suggestions for amendments, this Department would not object to the enactment of S. 1887 in the form in which it appears in Committee Print No. 2.

In our letter to you dated May 21, 1958, we commented on the proposed amendments contained in the committee print of S. 1887, dated May 1, 1958. We note that certain of the suggestions which were made in that letter have been incorporated in Committee Print No. 2.

The proposal contained in Committee Print No. 2 would authorize the construction by the Federal Government of the San Luis unit and certain facilities which would be used jointly by the United States and the State of California. Provision would be made for the United States and the State of California to enter into an agreement with respect to the construction, operation, and financing of the joint-use facilities. None of the construction authorized by the proposal could be undertaken until such an agreement is executed, except that, in the event no agreement is reached by July 1, 1960, if, after consultation with the Governor of California, the Secretary of the Interior shall determine that the prospects of reaching an accord are not "reasonably firm," he may proceed with construction, after having reported thereon to the Congress and the elapse thereafter of 90 days during which the Congress is not adjourned for more than 3 days. In general, this arrangement would provide a reasonable opportunity for negotiating an agreement on the construction of the Federal development in a manner which would permit certain of its main supply features to serve both the San Luis unit and the proposed Feather River project of the State of California and, in addition, a procedure whereby construction of the Federal project could proceed, after a given period of time, in the event of failure to reach such an agreement.

We should like to comment on the specific items mentioned in Senator Anderson's June 25 letter in the order in which they are set forth:

1. Section 1 of Committee Print No. 2 is designed apparently to present a reasonable basis for adequately protecting the investment of the Federal Government in those facilities of the San Luis unit which would be constructed in a manner to permit future expansion for use by the State of California. However, the proposed language appears to us to be ambiguous in this connection. The sentence beginning at line 11 on page 2 defines the engineering features of the San Luis unit, and included in this definition are the main supply features, such as the dam and reservoir, forebay, afterbay, and San Luis Canal. The first sentence of section 1 would authorize the Secretary of the Interior to construct, operate, and maintain the San Luis unit "and * * * *additional works for joint use with the State of California* * * * (hereinafter referred to as joint use facilities)." [Italic supplied.] It has been our understanding that the concept of the construction of the San Luis unit in such manner that certain of its main supply features could be used in the coordinated operation of both the federally constructed San Luis unit and the State-constructed Feather River project did not contemplate the construction of any separate additional works to be used jointly. If this understanding conforms with the purpose of the provisions of section 1, we suggest that it be amended to reflect this intention. This could be accomplished by amending section 1 in the following manner:

(a) After the word "project" in line 8 on page 2 insert a period, and delete the remainder of that sentence.

(b) Delete in lines 12 through line 15 on page 2 the language reading "which may, upon agreement by the State of California or some other public agency which agrees to assume the costs thereof, be constructed to permit future expansion,".

(c) In line 19 on page 2, after the period, add two new sentences reading substantially as follows: "The works (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, if required, and the San Luis Canal. Those joint-use facilities may be constructed to permit future expansion upon agreement by the State or some other public agency to assume the added cost involved, as later provided in this Act."

(d) In line 10 on page 4, in line 10 on page 10, and in line 4 on page 13, delete the word "and" and substitute therefor ", including".

2. The proposed amendment in lines 24 and 25 on page 2 and in lines 1 through 12 on page 3 would provide for (a) an irrigation repayment contract with a repayment period of not to exceed 50 years, (b) distribution systems repayment contracts, prior to construction of irrigation distribution facilities, with conservancy-type organizations, and (c) contracts for municipal water supply without regard to the limitations of section 9(c) of the Reclamation Project Act of 1939.

Consistent with our pattern of operation of the Central Valley project in contracting with more than 50 irrigation districts or other water-users organizations, use on the San Luis unit of water service contracts under section 9(e) of the 1939 act is required, in our opinion, for the orderly administration of the Central Valley project. This type of contract, which is renewable under the terms of the act of July 2, 1956 (70 Stat. 483), is admirably suited to the development of the entire project. A requirement along the lines of the proposed amendment which would be applicable only to the San Luis unit and which is not consistent with the manner of contracting with water-users organizations elsewhere on the Central Valley project would raise unnecessarily, it seems to us, difficult problems.

While contracts with conservancy-type organizations should be encouraged in all applicable instances, there appears to be little need for such assistance for distribution systems payout as the proposed amendment would require. It has been our experience on the Central Valley project that existing reclamation law contains adequate provision for such contractual arrangements as may be required in connection with the delivery of irrigation and municipal water supply. Accordingly, we recommend against the adoption of the proposed amendment.

3. The new proposal regarding the coordination of the State's master drainage system for the San Joaquin Valley with the requirements of the San Luis unit and the alternative authority to proceed in the event the State is unable to give assurances that it will proceed with its master drainage plan resolves adequately the problem we had with the comparable provision in the committee print dated May 1, 1958.

4. The proposed provision, beginning at the bottom of page 4, dealing with the submission of a report to the Congress prior to proceeding with the construction of the San Luis unit in the event it is determined after July 1, 1960, that the prospects of an agreement with the State of California are "not reasonably firm" is acceptable to this Department.

5. The provision, beginning on line 18 on page 5, with respect to the advance of funds by the State to pay for the cost of designing and constructing the works so as to permit their future enlargement by the State and the right of the State thereafter to enlarge the works and to the use of such additional capacity is generally satisfactory to us. However, we still believe, as we mentioned in our May 21 letter, that the State should be required to submit its plans for enlargement and construction to the Secretary for approval to assure that the Federal structures will not be adversely affected. This could be accomplished by adding after the word "State" in line 24 on page 5 the words ", after approval of its plans by the Secretary,". In order to conform to the language of the proposed provision with the amendments suggested above, we recommend that the words "joint-use facilities" be substituted for the word "project" in line 20 on page 5.

6. The proposed language beginning in line 23 on page 6 with regard to the advance of payments by the State to permit a timely construction schedule is acceptable to this Department.

7. Subsection (d) of section 3 would fix the formula for the sharing of the operation, maintenance, and development costs of the joint-use facilities. This provision would require such cost-sharing on the basis of the ratio of the amount contributed by each to the total cost of construction. In our opinion, there are too many factors that should be taken into account to permit an equitable determination of cost-sharing by the adoption of a formula such as Committee Print

No. 2 would provide. For example, use of the joint features for the Feather River project would involve year-round operation of the San Luis Canal to furnish municipal and industrial water to southern California. Service to the San Luis unit, on the other hand, would be on a seasonable basis. This is only one of the factors which ought to be considered in determining an equitable sharing of costs that would be ignored by the proposed formula. Other factors include the amounts of water delivered, peak canal capacity requirements, and magnitude of savings through joint-use. We believe that an equitable sharing of costs should be determined by negotiation and agreement rather than by a fixed formula in authorizing legislation. Accordingly, we recommend that the language of the committee print dated May 1, 1958, be restored.

8. Senator Anderson's letter indicates that the provision relating to the transfer of title to the facilities of the San Luis unit are proposed to be eliminated on the ground that section 6 of the Reclamation Act of 1902 (32 Stat. 388, 389) provides that title to such works shall remain in the United States until the Congress shall otherwise provide. We do not object to the proposed deletion of section 3(e).

9. Proposed subsections (f) and (g) of section 3 would provide that the rights of the United States and of the State to the use of the capacities of the joint-use features shall be based upon the ratio of the contribution of each to the total capital costs of such features with a requirement that the United States shall have a right to the use of no less than 1 million acre-feet of the capacity of the San Luis Reservoir. While this proposed fixed formula might work for San Luis Reservoir, especially as the proposed language guarantees 1 million acre-feet of capacity for Federal use, we doubt that it would be workable for the San Luis Canal. On the basis of data now available, the ultimate capacity of the San Luis Canal for joint use would vary from 12,500 c.f.s. at the head of the San Luis unit service area to 7,000 c.f.s. at the lower end of the service area. The required capacity for the Federal project would vary from 6,800 c.f.s. at the head of the service area to 700 c.f.s. at the lower end of the service area. Thus, the requirements of the Federal project would range from 55 percent to 10 percent of the capacity of the San Luis-Kettleman City portion of the San Luis Canal. A formula that would give a flat overall percentage, such as the proposed language would provide, would obviously not conform with those requirements.

Detailed operational studies by the Bureau of Reclamation and the State will be required to formulate a plan of operation for joint use. Only after such a study can the Federal and State needs and their interrelationships be determined.

We believe that the Federal Government should be assured of the use of sufficient capacities in the joint facilities necessary to serve the San Luis unit. The problem then would become one of construction of the joint-use features to capacities sufficient to accommodate State needs also.

Sections 3 (g) and (h) of committee print dated May 1, 1958, would provide the necessary guarantees to protect both Federal and State investments if joint-use features are properly designed. We recommend that the language of the sections be restored to that which appeared in the committee print dated May 1, 1958, in lieu of sections 3 (f) and (g) of Committee Print No. 2.

10. Section 5 is a new proposal which would authorize water service from the Central Valley project, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties. Under the provisions of section 5, an investigation and report on the feasibility of the proposal would be required, provided the local water authority or other public agency or agencies should agree to pay one-half of the cost thereof. If the report should indicate that the work would be feasible from an engineering and an economic standpoint, is reviewed by the State, and is approved by the Secretary and the Congress, construction could then be undertaken, but not prior to July 1, 1962, unless in the meantime the Governor should notify the Secretary that the State approves the construction of the proposed works by the Federal Government.

As we indicated in our May 25 letter, the furnishing of a new supply of water to the area concerned is covered by the State's water plan and we would not wish to overlap or duplicate the State's program, studies, or plans, unless, of course, we were specifically directed to do so by the Congress.

The question of requiring the local interests to pay all of the costs of the investigation has not been raised heretofore to our knowledge. If the Congress

were to direct us to undertake this proposed investigation, we would, of course, not object to a requirement that it be made only if the local interests advance all such costs.

11. We have no objection to the new section 7 which would provide specifically that the Federal reclamation laws shall not be applicable to lands served by the State outside the San Luis unit service area.

12. The present estimated capital cost of the San Luis unit is \$290,430,000, exclusive of the costs of constructing distribution and drainage systems. This estimate is based on October 1957 prices and upon use of offpeak power for project pumping. This represents an increase of \$61,300,000, over the cost estimate given in this Department's interim San Luis unit report to the Congress of December 17, 1956, which was based on January 1954 prices. About \$29 million of this increase is due to rises in construction price levels and the remainder (about \$32 million) to provisions for offpeak pumping not included in the plan presented in the interim report.

The estimated cost of the major features involved is as follows:

San Luis Dam and Reservoir-----	\$67, 178, 000
Intake canal (Delta-Mendota Canal to San Luis forebay pumping plant)-----	903, 000
San Luis forebay pumping plant-----	5, 585, 000
San Luis forebay dam and reservoir-----	3, 160, 000
San Luis intake canal-----	1, 920, 000
San Luis pumping plant-----	60, 241, 000
Pleasant Valley pumping plant-----	5, 759, 000
Relift pumps on distribution system-----	21, 738, 000
San Luis Canal-----	77, 900, 000
Pleasant Valley Canal and pump intake canal-----	4, 950, 000
Channels, levees, and floodworks-----	25, 200, 000
Tracy switchyard additions-----	616, 000
Tracy-San Luis 230 kv transmission line-----	4, 591, 000
San Luis Canal transmission line, 115 kv-----	1, 893, 000
San Luis switchyard-----	4, 477, 000
Transmission line to forebay pumping plant-----	133, 000
San Luis forebay switchyard-----	233, 000
Pleasant Valley switchyard-----	307, 000
Relift substations-----	608, 000
Distribution system, 13.8 kv-----	1, 546, 000
General property-----	1, 229, 000
Total-----	290, 430, 000

The estimated cost of San Luis Dam and Reservoir constructed to 1 million acre-foot capacity and designed to serve the San Luis unit only is \$56,364,000. The added cost of making provision for later enlargement is \$10,814,000. However, even if it is built as an all-Federal project, future enlargement of San Luis Reservoir to 2 million acre-foot capacity would be contemplated to serve lands further south in the San Joaquin Valley in the potential Avenal Gap unit service area. For this reason the cost of providing for enlargement is included in the original plan for San Luis Dam and Reservoir and is reflected in the \$290,430,000 total estimated cost of the San Luis unit supply works.

There are also other costs for future service provisions included in the above estimate. The estimate for pump discharge lines contains \$4 million for future service and the San Luis Canal estimate includes \$2,887,000 for the same purpose. Thus, of the \$290,430,000 estimate a total of \$17,701,000 is included, for future enlargement or for future service.

If the San Luis unit is to be constructed for integration with the State's Feather River project, a problem exists as to construction of the San Luis Canal. A canal with a capacity of 6,800 c.f.s. at the head of the service area would be required to serve only the San Luis unit. If the San Luis Canal is to serve both the San Luis unit and the Feather River project, it is presently estimated that a comparable capacity of 12,500 c.f.s. would be required. It does not appear that construction of San Luis Canal with initial capacity of 6,800 c.f.s. with provision for later enlargement would be economical. If the canal is to serve as a joint-use feature, it should be constructed initially to full capacity. For the stretch of the San Luis Canal from San Luis Dam to Kettleman City, the stretch required for the San Luis unit, the estimated cost of constructing the canal to

full joint-use capacity is \$123,600,000 as compared with an estimated cost of \$77,900,000 if it is constructed to serve the San Luis unit only with provisions for future service in the Avenal Gap unit area.

In addition to the comments made above, we suggest that the following minor technical amendments be made in order to conform the provisions of the bill with the amendments suggested heretofore:

1. In line 8 on page 4, delete the phrase "(hereinafter referred to as the State)".

2. In line 7 on page 6, substitute the words "joint-use facilities" for the words "project works and features".

3. In line 17 on page 8, delete the words "the San Luis unit and".

The Bureau of the Budget has advised that there would be no objection to the submission of this proposed report to your committee. However, that Bureau requested that we advise your committee that the Bureau of the Budget would recommend against authorization of the extension contemplated in section 5 at this time and would recommend that the terms of the bill make it clear that recreation facilities be treated as a part of the overall Federal costs and allocated to major project purposes.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

Senator KUCHEL. Again I say if this appeals to the chairman and to Senator O'Mahoney, to reflect more accurately the intention, then I renew my suggestion for consideration by this subcommittee in executive session of changes in the wording of the bill so as to provide that on the first page we would specifically have the dam and reservoir and not have the joint-use facilities, and also in speaking of the alternative authority—and I have not spoken with anybody here in the audience about this—the alternative authority to the Secretary of the Interior to proceed to construct under Federal law.

Senator ANDERSON. I think that is a good suggestion. We will try to go ahead with it.

Mr. Brody, as a matter of fact, a lot of us know you and your good reputation. Many of us have seen Mr. Banks time after time after time, and we have the highest respect for him and the work that he brings in here.

I do think we have an obligation to find out how much money is involved in this language.

Mr. BRODY. We recognize that.

Senator ANDERSON. Mr. Dominy, you try to get that for us.

Mr. DOMINY. Very well, sir.

Senator ANDERSON. I think the suggestion made by Senator Kuchel may be a solution to the problem, or may lead us at least to a solution of it. I have said many times that some of us think this is a very fine project.

Senator KUCHEL. I do not know if the trouble with this committee is that we have too many lawyers on it or not enough.

Senator ANDERSON. Well, since I am the only nonlawyer here, I will not go further with a statement.

Mr. DOMINY. Mr. Chairman, there is one other point in the departmental report that I am obligated to call to your specific attention, and that is that the Bureau of the Budget has requested that your committee be advised that it would recommend that the provisions of S. 44 be modified to provide for treating the costs of minimum basic recreation facilities as part of the overall Federal cost to be allocated to the major purposes of the project, subject to the cost-sharing or reimbursement requirements applicable to such purposes.

Senator KUCHEL. How much money are we talking about here?

Mr. DOMINY. About \$101,000 is what we have estimated the minimum basic facilities to cost.

Senator KUCHEL. What is the rule which the Congress has followed in the years gone by with respect to the reimbursability of recreation moneys?

Mr. DOMINY. Except for a few exceptions, minimum basic facilities on recreation projects are provided as a project cost and are reimbursable.

Senator KUCHEL. I suggest to the chairman that that be a subject for discussion in executive session.

Senator ANDERSON. Have you anything else, Mr. Dominy?

Mr. DOMINY. No, sir.

Senator ANDERSON. You understand what we would like to have in the way of figures on this?

Mr. DOMINY. Yes, sir. Our technicians are here in the room. They have heard this discussion and they will be working with me in preparing that material.

Senator ANDERSON. There is bound to be something that has gone into this project to raise it from \$292 million to \$480 million. A lot of it may be directly traceable to the State project and, therefore, constructing the Federal project to a larger size would not be involved in it at all.

But I think we ought to know what the language in this bill means. If we have to limit it to just the dam or something of that nature, we ought to do it that way. I can recognize that there are people in California who would like to say, "If you are going to build this, you ought to just wave your hand once more and say we are not going to do this unless the State is given an opportunity to participate."

We would like to know what is involved in it from that standpoint.

Mr. DOMINY. I would like to say once more that there is no doubt at all but what if it is built as a joint venture, and if the State pays its equitable share under an agreement, that the Federal project will be built at less expense than if it were built as a single-purpose undertaking.

Senator ANDERSON. Generally, are you familiar with the land involved in this project?

Mr. DOMINY. Yes, sir.

Senator ANDERSON. Do you feel it is a good project?

Mr. DOMINY. The great bulk of the land to be included in the Federal service area of this project is class 1 and 2 land.

Senator ANDERSON. And has tremendous production possibilities?

Mr. DOMINY. Tremendous production possibilities. It has been developed with ground-water pumping. There is a serious overdraft. The area undoubtedly is rapidly getting into trouble. If supplemental water is not available, it will be in distress not too long from now.

Senator ANDERSON. This is water that might otherwise flow to the ocean?

Mr. DOMINY. Yes, sir. The water proposed here, for a good part of it, is winter flows, surplus to our needs under the existing project, and is wasted into the sea.

Senator ANDERSON. And could be picked up with a Tracy pumping plant and picked up to the project and remain there until needed?

Mr. DOMINY. Yes, sir. This project would permit much greater use of existing facilities.

Senator ANDERSON. And might use some of the facilities at a time when they are not otherwise being used for other work?

Mr. DOMINY. That is exactly right.

Senator ANDERSON. You recommend it?

Mr. DOMINY. Yes, sir.

Senator ANDERSON. Are there questions?

Mr. Bennett, have you any additional statement?

Mr. BRODY. Mr. Chairman, before leaving the stand I wonder if we might submit for the committee files a document entitled "Preliminary Summary Report on Investigation of Alternative Aqueduct Systems To Serve Southern California," which describes the State elements of the project and the aqueduct system which would be constructed as part of the project.

Senator KUCHEL. Is it that large volume you have?

Mr. BRODY. Yes, sir.

Senator KUCHEL. I suggest it be given to the committee for filing.

Mr. BRODY. I will submit it for the files.

Senator ANDERSON. Very well; we will accept it for the files of the committee.

Mr. BRODY. Thank you, Mr. Chairman.

Senator ANDERSON. The Pacific Gas & Electric Co. will present a statement for the record at this point.

STATEMENT OF ROBERT H. GERDES, EXECUTIVE VICE PRESIDENT, PACIFIC GAS & ELECTRIC CO.

Mr. GERDES. Mr. Chairman, S. 44 now before your committee would authorize construction of the San Luis project in California.

Included in the proposed project are items totaling more than \$14 million for electric transmission lines, substations, switchyards, and distribution lines to bring power from Tracy to pumps at various points on the San Luis project for a distance of about 150 miles south of Tracy.

In my attached letter of March 17, 1958, to you, Pacific Gas & Electric Co. offered to provide the San Luis pumps with power through wheeling service, exchange, and sale at less than it would cost the Government to do the same job. That offer still stands.

I respectfully invite your attention to the sketch map which is attached to this letter. It shows the transmission system already constructed by Pacific Gas & Electric Co. to serve the area. These lines have the capacity to serve all parts of the San Luis project.

(The sketch map and letter are as follows:)

MARCH 17, 1958.

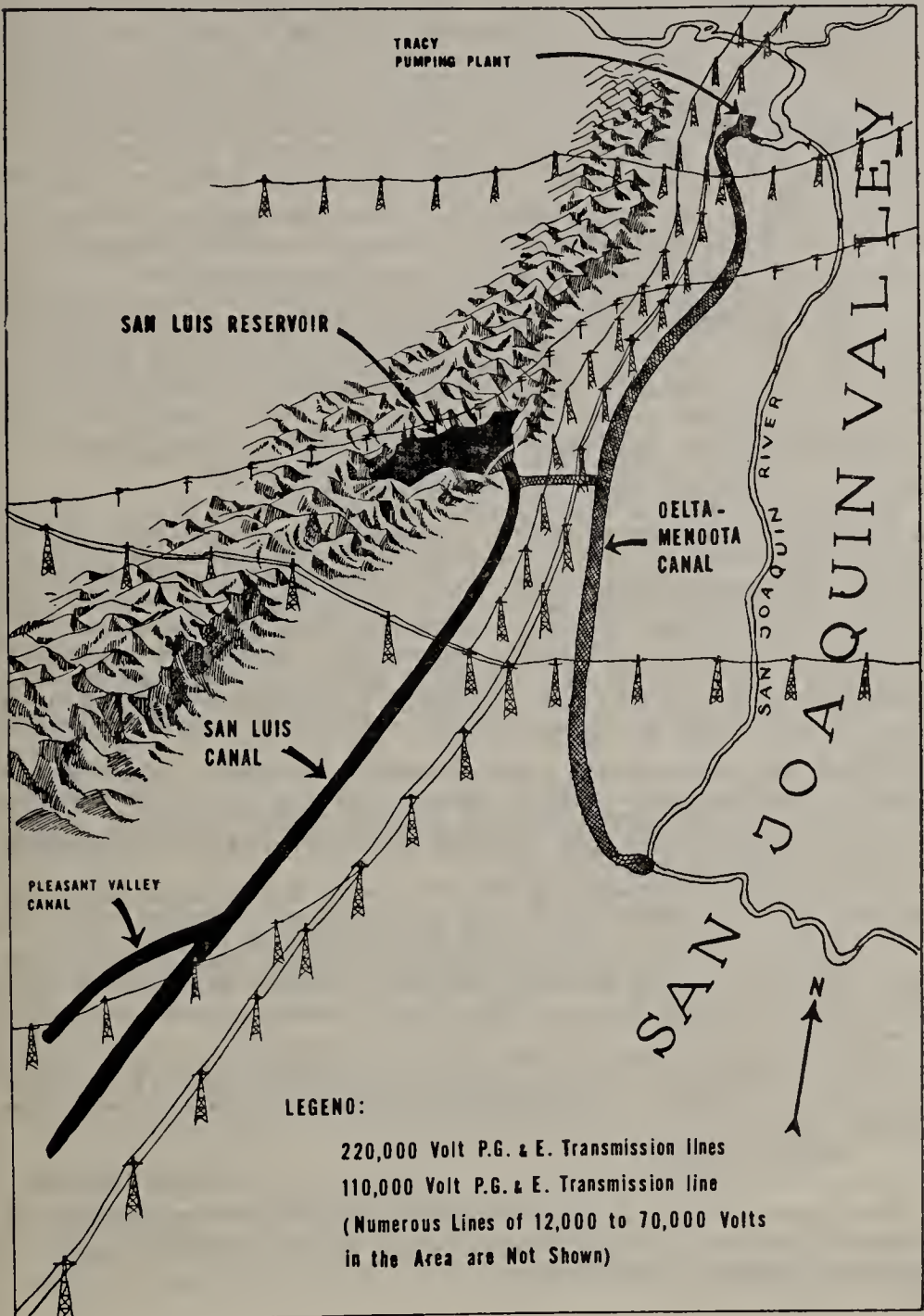
HON. CLINTON P. ANDERSON,
Chairman Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs, U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR ANDERSON: We have been informed that the Subcommittee on Irrigation and Reclamation of the Senate Committee on Interior and Insular Affairs has under consideration several bills to authorize the joint construction and operation of the San Luis project in California by the Department of the Interior and the State.

Pacific Gas & Electric Co. believes that early construction of this project is essential to the conservation and development of the water resources of California.

Whether the San Luis project is constructed by the Federal Government or the State, or by both, our company has offered to furnish energy to the San Luis pumps at minimum cost to the project, thus enhancing its financial feasibility.

The pumping plants of the Central Valley project have first call on power developed at project plants. If San Luis is constructed and operated as a part of the Central Valley project, there will be an ample supply of energy from ex-



isting project hydroelectric plants to meet the ultimate annual requirements of the San Luis pumps, which will be about 750 million kilowatt-hours. The average annual output of existing project plants is about 2½ billion kilowatt-hours. Existing pumps, even at ultimate operation, will require only about 400 million kilowatt-hours per annum, leaving a balance of more than 2 billion kilowatt-hours, or nearly three times the amount required by the San Luis pumps at full operation.

As you know, power generated as a byproduct on multipurpose projects designed for flood control, irrigation, and water supply is not always produced at the time nor in the quantity required to fit power needs, because water releases for these other purposes have priority over the generation of power. The Central Valley project produces large amounts of energy in the summer months when large water releases must be made for irrigation. Except in wet years, the project produces relatively small amounts of energy during the winter months when water is being conserved in project reservoirs. The months of low project energy production are the very months when San Luis pumping requirements are high, because that is the time when waste water in the Sacramento-San Joaquin River delta must be diverted and pumped to storage in the San Luis reservoir.

We are willing and able to provide energy from our widespread regional system to meet the requirements of the San Luis and other project pumps at times when there is insufficient project power to meet such requirements.

We have offered to furnish off-peak energy from our system for project pumping and, in exchange, take an equal amount of project power when it becomes available. This will conserve water for irrigation and increase project power revenues. The Acting Commissioner of Reclamation in a letter dated July 12, 1957, to Congressman Harlan Hagen, declared that such an exchange of energy "would permit better coordinated use of Central Valley project power and greater returns from power sales to offset the additional construction costs." Assistant Secretary Aandahl and Regional Director Bellport testified to the same effect before the House committee last January.

In any year when there is insufficient project power for the pumping requirements under the exchange arrangement, we are willing, as part of our Trinity partnership proposal, to sell off-peak energy for project pumping at our incremental (that is, out-of-pocket) cost. Moreover, we guarantee that the charge for such energy would in no event be greater than the amount per kilowatt-hour which we would pay the Government for the use of Trinity falling water.

Whether the Trinity plants are constructed by the company or the Federal Government, energy for the San Luis pumps may be allocated at the Bureau's customary 2½ mill pumping rate. The cost to the Government under the company's proposal would be less than half the costs under all-Federal Trinity construction.

We also offer to make our facilities available for transmission of power from Tracy to all project pumps. We guarantee that the cost to the Government for this service would be less than it would be if the Federal Government were to construct the transmission lines. This also would save the Federal Government a capital outlay of about \$10,750,000.

An amendment to our wheeling contract to cover this service has been submitted to Congress as part of the Trinity joint development proposal and is contained in House Document No. 94, part II, 85th Congress, 1st session.

We have made a similar offer to the State of California to supply low-cost off-peak energy for pumping in connection with its Feather River project. The State engineer declared that our offer would provide a substantial net gain to the project.

Under our proposal, the San Luis pumps will be assured of an ample power supply at minimum cost. These benefits are available whether San Luis is built and operated jointly by the Federal Government and the State or separately by either agency.

Very truly yours,

ROBERT H. GERDES.

Mr. GERDES. Since these facilities are available, the expenditure of about \$10 million by the Federal Government for duplicating transmission facilities is unnecessary.

Pacific Gas & Electric Co. believes that early construction of the San Luis project at minimum cost to the Government is essential to the conservation and development of the water resources of California.

We therefore respectfully request that your committee amend the bill to include at page 2, beginning at line 8, the words as shown in italic:

* * * The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, and related facilities, *except those facilities for electric transmission or distribution service which can be obtained at less cost to the Federal Government from local public or private agencies* * * *.

Senator KUCHEL. May I have in the appendix, Mr. Chairman, a statement from the Kern County Board of Supervisors, the California Farm and Research Legislative Committee and a statement from the Los Angeles Chamber of Commerce?

Senator ANDERSON. They will be included in the appendix of the record.

I also have a letter that was sent me by George Ballis, editor of the Valley Labor Citizen, with an accompanying editorial about the project which I will also place in the appendix.

Our next witness will be Mr. J. E. O'Neill.

STATEMENT OF J. E. O'NEILL, FRESNO, CALIF., PRESIDENT, WESTLANDS WATER DISTRICT

Mr. O'NEILL. Senator Anderson and Senator Kuchel, I am glad to be here today.

My name is J. E. O'Neill, and I am from Fresno, Calif. I am appearing here today as president of the Westlands Water District.

I wish first to take this opportunity to thank all the members of this subcommittee for the privilege of appearing before you once again in support of the San Luis project.

We have come a long way since our first hearing in 1956, and the road at times has not been an easy one. In the time that has transpired, the concept of San Luis has changed from a strictly Federal project to one that encompasses an enlarged facility simultaneously providing water to the parched San Luis service area as a Federal undertaking and that forms an important link in the State of California's plans to transport surplus northern water to the southern portions of our State where critical shortages exist.

Further, in the year that has elapsed since my last appearance before you, the deep but honest differences of opinion among Californians as to the details of authorization have been composed to the point that responsible water leaders from one end of the State to the other are in complete agreement on them.

I recall the admonitions on the part of members of this subcommittee to Californians at previous hearings to "get together" and present a legislative vehicle on San Luis that all segments of the State could support. We have done just that.

Much of the credit for this accomplishment is due to Governor Brown whose leadership on water matters, among others, since his

inauguration only a few short months ago has been of the highest order.

As most of you no doubt know, the final details of the solution, involving amendments to the companion Senate and House bills, were agreed upon here in Washington only last Friday. They have been pulled apart again today, I am afraid.

Senator O'MAHONEY. Not quite, Mr. O'Neill.

Senator ANDERSON. I do not think so, Mr. O'Neill. I think there is a possibility that we can find language that interprets what the people of California want in the fashion that will not be objectionable to those of us who do not want to see money thrown away.

Mr. O'NEILL. If I would take a moment on that, I think you are quite right, Senator. I do not believe it was the intention of those of us who sat around and came to these conclusions that that was the intent. It is possible, though, that if you leave out the large canal and deal strictly with the foundations of the reservoir in case the State has not come up with its share, it might be a good investment, good business, for the Federal Government to provide that extra foundation so that in the future we could build on it.

I am not so sure—I have not discussed this with the Governor, with Ralph Brody or Mr. Banks—but it might be possible that an agreement could be made with the State that that extra \$10 million could be picked up by the State until such time as the State is ready to go, or the Federal Government might continue and repay the State.

Senator ANDERSON. I want to say there, Mr. O'Neill, that I do not think that is particularly essential. We have, in previous projects, authorized the construction of a portion of them larger than was immediately necessary, but in a fashion that would permit future expansion. That is not unusual.

But in one where it requires cooperation with the State it is a little hard to say go ahead and build this to a large scale, even though we have shoved the date for final agreement with the State ahead 18 months, or back, whichever way you look at it, clear up to 1962, and we have tried to do everything we can. Still we cannot get anything done.

Still, if we want to go ahead and build this as a Federal-State project, it may involve more money than could be justifiably spent. I do not think I want to say that the rule should be that you cannot have anything in there except the bare bones of a Federal project, because that has not been the practice of the Government at all times.

Mr. O'NEILL. I was alarmed at Mr. Dominy's statement that we would have to come back again and get further legislation in case the State did not take care of its part of it. I certainly do not want to come back here any more on further legislation. I hope that when we move this time we can move so that the project can be constructed.

Senator ANDERSON. I think you may have recognized that I question that a little bit, too. I was hopeful that once this was solved it would be solved for a long time. Once you have spent a good many months on projects and finished with them, you like to close that chapter and go on to some other project.

Mr. O'NEILL. As most of you no doubt know, the final details of the solution involving amendments to the companion Senate and House bills were agreed upon here in Washington only last Friday.

These revisions have the approval of Governor Brown, of Senators Kuchel and Engle, of Congressman Sisk and of many others who, I believe, are scheduled to testify before you.

I cannot sufficiently praise the untiring efforts of our two splendid California Senators and of Congressman Sisk to work out this difficult problem in the best interests of both the United States and the State of California.

Since you have already heard testimony as to the technical and other details of the San Luis project from Bureau of Reclamation and State officials, I will not go into those matters. I do want to emphasize the fact that our problems are more critical by far than they were in 1956, and last year when I testified in this same subcommittee.

The water table has receded further. I believe the situation is so critical at this moment that it will challenge the best efforts of the individual farmers of every district in the project's proposed service area to survive until surface water reaches them.

In closing, I want to thank all of those, both in Washington and in California, that have worked so long and so hard on a solution to this vexing problem of composing the Federal and State interests in this unique project. On behalf of the farmers on the west side, I want to especially thank the members of this subcommittee for the sympathetic consideration given to our situation.

May I once again stress the extreme urgency for this authorization and entreat you to act promptly on the legislation before you.

Senator ANDERSON. Thank you, Mr. O'Neill.

Are there questions?

Senator KUCHEL. I just want to say that I hope and pray that this legislation is enacted into law this year.

Mr. O'NEILL. I hope we can resolve the problem that is now before us.

Senator ANDERSON. We will try to, Mr. O'Neill. Thank you very much.

Mr. O'NEILL. Thank you.

Senator ANDERSON. Mr. Myers.

STATEMENT OF LOYD M. MYERS, SECRETARY-MANAGER, FRESNO AND MADERA COUNTIES BUILDING AND CONSTRUCTION TRADES COUNCIL, FRESNO, CALIF.

Mr. MYERS. Mr. Chairman, I am Loyd Myers, from Fresno County. I am a labor representative. I am the building trades secretary-manager. I testified before the committee last year, and had a very courteous reception, I assure you. I am also pleased to meet these distinguished gentlemen. I have read about them on numerous occasions. It is a real pleasure to meet them face to face.

I have nothing particularly new to add to my testimony of last year, with the exception that we do have the more serious condition of unemployment in the area than we had even last year.

As you have heard testimony from Mr. O'Neill, the water table is not getting any higher. We believe that having worked with various committees throughout the State, that we have reached a solution to our difficulties amongst ourselves, and we come before you today asking that you at least endorse our program and recommend it to the

full committee so that it can get to the floor for action and can be enacted into law.

We have a considerable number of skilled construction workmen who are very desirous of doing work on a program such as this. Of course, when they are not working, there is a shortage of funds coming into the merchants, to the manufacturers, and people of that nature. I think they are in conformity with us in asking for the program.

I do not know that there is anything that I can say that would be of any added value to it. I do have a prepared statement I would like to submit to you, if I may.

Senator ANDERSON. Mr. Myers, we appreciate your coming in here. We are happy to have your statement that you regard this as a good project.

Do you think that generally speaking through that part of California people who are associated with labor organizations would like to see this project built?

Mr. MYERS. I do for a fact, Senator.

Senator ANDERSON. Thank you very much.

Senator KUCHEL. I want to add my sincere thanks, too, Mr. Myers, for your testimony.

Mr. MYERS. Thank you.

(Mr. Myers' prepared statement follows:)

STATEMENT OF LOYD M. MYERS, SECRETARY-MANAGER, FRESNO AND MADERA COUNTIES AND CONSTRUCTION TRADES COUNCIL

Mr. Chairman, I am the secretary-manager of the Fresno and Madera Counties Building and construction Trades Council. The council represents 23 building trades unions with a combined membership of about 17,000 members. We have worked with many and varied groups in studying the feasibility of the San Luis project. We do not profess to be engineers nor do we profess to be economists. We do, however, profess to have the know-how to do the type of construction that is required on large flood control and irrigation projects such as the one under discussion.

The Delta Mendota Canal system together with the Tracy pumping plant represents an investment of approximately \$75,000,000, a tremendous investment for the Federal Government. We as residents of this community do not like to see such a tremendous investment idle for a good portion of each year when there is such a great need for its services in the area that it serves.

There will be or already has been considerable testimony concerning the location, the availability, and the suitability of using these facilities in the offpeak season so there will be little if any need for me to go into that phase of it. The people represented by the building trades council have only one thing to sell, and that is labor. They are particularly skilled at their trades as is evidenced by the flood control and irrigation projects that have been built in the State by these very same members. The working people of the Madera, Merced, Kings, Fresno, and Tulare Counties, the small farmers, the mama-papa type merchants and others of similar circumstances make up the small people of the area. These people have their life savings invested in the San Joaquin Valley and in particular in the area that would be influenced by the San Luis project. They are vitally interested in the economy of this community, and water is the key. We have many members who have worked in construction all their lives and have saved their money religiously so that they could retire on a little farm, a prune orchard, a chicken ranch, a vineyard, or a similar project, and feel that they are somewhat independent. There was a time when this was not only possible, but profitable. Due to the high cost of water this is no longer true. It has, or will be established by testimony before this committee, that the cost of a well is from five to seventy-five thousand dollars if it is capable of irrigating even a small plot of land, and of course, without irrigation it is impossible to grow anything in the San Joaquin Valley. We know

that there are many land owners in our part of the San Joaquin Valley, but there are far fewer farmers than there are farm owners. We have found this to be directly the result of the high cost of irrigation facilities. We are forcing a large scale operation and doing away with the so-called family sized farm due to this economic pressure. It has long been the aim of the United States Government to establish economical family sized farms, thus placing more people on farms. But we find that the high cost of water is having just the opposite effect in this area. We believe that if the San Luis project is approved and built with Federal assistance, that we will again be able to establish the trend of a back-to-the-farm movement in this area.

Testimony has or will be given that it is now costing in the neighborhood of \$20 per acre-foot for irrigation water in the San Luis project area and it has or will be established by responsible engineering data that water can be supplied in this very same area by using the existing facilities together with the proposed San Luis Reservoir and supply water for \$7.50 per acre-foot ditch side. Even an amateur economist can see the advantages.

We believe that if the Federal Government loaned the money for the construction of this project it would return to the Government in the form of taxes more than tenfold its original investment. We believe we can prove this statement by pointing out that desert land has little assessed evaluation for the purpose of taxation whereas a fully developed farm under an irrigation system has an assessed evaluation many, many times greater than when in its original state. We know from past experience that when idle people without any income are suddenly put to work at a decent livable wage that the whole community seems to take a new lease on life and prosper far more than the added income would seem to warrant. There has or will be some testimony given before this committee to the effect that there is available water on part of the land that would be serviced by the San Luis Reservoir. We have already remarked on the cost of this water for irrigation purposes and we would like to further point out that in addition to the high cost of this water, the mineral content caused by excessive pumping is causing great concern. We have in the proposed construction area many hundreds of skilled construction workmen together with efficient construction machinery in the amounts necessary to build large construction projects such as the one now under discussion. We have many competent contractors and engineers who are familiar with this type of construction and in all too many cases these men, this equipment, and these contractors are idle or only partially employed due to the redtape involved in getting this program and others of like nature started. There is also a serious amount of unemployment in other fields in our area that is seriously affecting the economy of the community and we know that if the San Luis project is authorized by this session of Congress there could be no actual construction started this year to relieve this situation. But we feel that authorization for the project would restore the confidence of the people of the community in their Government and its economic policies. With such confidence restored, we are confident that many businesses and building programs which have long been contemplated would become an actuality, thus making an immediate spurt in the economy of our community and give us the relief so badly needed.

Mr. Chairman, we are not asking for charity, nor are we attempting to take unfair advantage of our fellow Americans from other sections of the country. We are, however, asking for a loan on a businesslike basis. We think we have ample collateral to offer for security. In fact, if the U.S. Government had as good security on all its loans, we would never need worry about the national debt.

I have said many times in the past and I repeat that I do not think that irrigation, reclamation, and flood-control projects cost the Federal Government, but instead pays the Government. These programs are investments in the truest sense of the word.

We know of some dissident groups who oppose Federal participation in the San Luis project. We know also that it is impossible to meet all the objections voiced by various groups to the proposed bills for Federal participation, but we believe in and will support the bill that is before this committee today.

In summing up, I would respectfully repeat that—

1. We have the need for the project.
2. We have the know-how and the equipment to build it.
3. We have the local support for it.
4. It would help solve our employment problem.

5. The existing canal pumping plant and storage site are naturals.

6. The loan would be repaid many times over and even though no interest would be charged directly, over a period of years the increased taxes would make it one of the highest interest rates ever paid on any loan in the history of the world.

Senator ANDERSON. The next witness will be Paul Staniford, of the Fresno Chamber of Commerce.

STATEMENT OF PAUL STANIFORD, CHAIRMAN, WATER RESOURCES COMMITTEE, FRESNO COUNTY AND CITY CHAMBER OF COMMERCE, FRESNO, CALIF.

Mr. STANIFORD. Mr. Chairman and gentlemen of the committee, my name is Paul Staniford. I am an attorney in Fresno, former president of the Fresno County and City Chamber of Commerce, and am now the chairman of its water resources committee.

I appreciate very much this opportunity to appear in behalf of the pending bill.

Over the west side of Fresno, Kings, and Merced Counties in the great San Joaquin Valley of California, in what we call the deep-well, critical area, there are 500,000 acres of the most productive agricultural land in all this world. It is in danger of being turned back to ordinary range land for cattle and sheep unless supplemental water is brought from the outside by means of the San Luis Reservoir and water distributing system.

If that catastrophe happens, it will mean a loss of crops now grown in that vicinity of the value of \$50 million annually. There is no exaggeration in assuming the possibility of such a dire result. The present annual overdraft of water in that area is in excess of \$1 million acre-feet—more than all the accumulation of water from all known present sources of supply in a year of average rainfall. I mean rainfall there on the valley floor and snowfall in the tributary mountains of the Sierra-Nevada.

It is not to be thought that an annual curtailment of \$50 million in farm production is a local matter. Far from that. When you take into account the layoff of people engaged in agricultural labor running into thousands of people; the drop in sales and repair of agricultural equipment of all kinds; the curtailment of transportation of equipment, supplies, and produce; the drop in volume of crops—you have a pattern of loss which means ruin in parts of the immediate locality and which reaches out importantly to the financial centers of San Francisco and Los Angeles and to the economy of the entire region.

The protection against that kind of calamity is available in the San Luis Reservoir. There are those of us who know that 7½ million acre-feet of water flows into San Francisco Bay through the Sacramento-San Joaquin River Delta every winter and is washed out into the Pacific Ocean without doing one particle of good for the land from which it comes.

We know it would be nothing short of criminal folly to propose that we in the affected portion of the San Joaquin Valley should do without that million acre-feet of water. It would be almost as indefensible to propose that in order to get the small part we need of that 7½

million acre-feet which is wasting winter after winter, we need resort to a new system of canals and pumping plants.

There is no reason to duplicate and to parallel the already existing Delta-Mendota Canal which lies there totally unused during the winter season or to duplicate the Tracy pumping plant which lies unused during the same winter period. They represent an aggregate investment of some \$63 million.

Those essential facilities should be put to use. They can be put to use for us in our mortal need by the mere construction of 3 miles of conduit and lift facilities to raise the water from the present level of the Delta-Mendota Canal to safe storage behind the San Luis Dam.

It can be done and should be done, and the San Luis Reservoir and facilities should not be built for coordination with the Feather River project and the overall California water plan. Built with or for an ultimate storage capacity of 2,100,000 acre-feet, we would have, before it is too late, the million acre-feet to keep the critical 500,000 acres in production.

And against the day of need, there would be the remaining supply for the great region south of the Tehachapi Mountains. The critical area in Fresno, Kings, and Merced Counties there in the San Joaquin Valley needs relief now before the overdraft of our deep wells pump sea water or wreaks other havoc.

Construction of the San Luis Dam and Reservoir, connection with the existing Delta-Mendota Canal, and the construction of the new San Luis Canal to carry the waters to those 500,000 acres will be a blessing and a boon, not to local people alone, but to all in the State and Nation who depend upon the rich produce of that land.

Senator ANDERSON. Thank you very much, Mr. Staniford. Are there any questions?

If not, our next witness will be Mr. Charles T. Kaljian.

STATEMENT OF CHARLES T. KALJIAN, PRESIDENT, BOARD OF DIRECTORS, SAN LUIS WATER DISTRICT, LOS BANOS, CALIF.

Mr. KALJIAN. Mr. Chairman and gentlemen of the committee, I am Charles T. Kaljian, of Los Banos, Calif., president of the San Luis Water District. I appreciate the opportunity to again appear before this subcommittee to present my views, as well as the views of the San Luis Water District in support of the San Luis project.

I have been a resident of California for 52 years and I am a landowner of the San Luis Water District. I have farmed in other parts of the San Joaquin Valley.

In my last appearance before you I emphasized two main points. The first was the fact that the rapid depletion of our underground water supplies had brought us to the point where it was questionable how long crops can continue to be produced at a profit. In this connection I pointed out that the quality of water determines the crop pattern. In the San Joaquin Valley successful farming requires a wide variety of crops.

My second point related to the heavy concentrations of salt in our irrigation water. These concentrates are not only costly to the farmer in replacement of pump parts and other well equipment, but are also highly detrimental to the soils of the area. The continued use of

this highly saline water not only tends to destroy the productivity but will also lead to costly complications if and when water of a good quality becomes available.

We have had several striking incidents in our valley where it was impossible to put fresh water into the soil following the use of saline well water without substantial chemical treatments to the soil.

Last year I told you that we were nearing a point where both the quality of water and the cost of production was, with other farm costs, approaching the value of crops grown. In this ensuing year there has been a general agreement among the farmers in our area that we must take drastic steps if we are to remain in the farming business. We have taken those steps reluctantly realizing that if San Luis were authorized today construction would not provide water at a date early enough to prevent economic disaster for a substantial acreage within the boundaries of my district.

We are in the process of constructing a lift system with a source of water at the Delta-Mendota Canal that will provide a supplemental water supply for approximately 20,000 acres of land at the lower end of the San Luis water district. Our investment will be approximately \$2,350,000. The water will be raised 390 feet in two lifts and we estimate the cost at roughly \$15 per acre-foot. This is strictly an emergency project. The improved quality of water will permit a certain amount of diversification and so compensate in part for the increased cost.

On the other hand, we fully realize that the demands on the Delta-Mendota Canal through the exchange contract with Miller & Lux could easily reduce our investment to a gamble in any given year because, lacking storage, water may or may not be available depending on the summer flow in the delta of the Sacramento-San Joaquin Rivers.

To many people this is a stopgap measure designed solely to keep us in business until the San Luis project water becomes available. We have endeavored to design this lift and distribution system so that it can be used when water from San Luis becomes available.

I hope my testimony has impressed upon you gentlemen the critical condition in our area which is in nowise different than it is in many other places of the service areas of the San Luis project. For the moment we are, in a sense, fortunate to be adjacent to the Delta-Mendota Canal where we can utilize, in part, the water from the source.

In closing, I wish again to thank the committee for the privilege of appearing today and I hope that my testimony has given additional emphasis to the critical situation that exists on the west side of the San Joaquin Valley.

Thank you very much.

Senator ANDERSON. Thank you very much.

Are there any questions?

If not, the next witness will be Mr. Butler.

STATEMENT OF WARREN W. BUTLER, VICE CHAIRMAN, BOARD OF DIRECTORS, METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Mr. BUTLER. Members of the subcommittee, I appreciate the opportunity to appear here today.

My name is Warren W. Butler. I am vice chairman of the board of directors of the Metropolitan Water District of Southern California.

Mr. Chairman, I have here a prepared statement. However, because of the discussion that came up here this afternoon, I would like to make a brief comment. So that no one will be fearful, let me say first that I do not think that this difficulty that arose here this afternoon need in any way disturb the amicable agreement that we have reached within the State. We have, however, developed a problem here this afternoon. I would like to point out how it came about.

In this discussion last Friday, at no time was the difference in the two sizes of the canal mentioned that I can recall. The only thing that was mentioned was this matter of the reservoir, whether the foundation should be built to the extent that it could be later enlarged. To my knowledge, that was the only thing that we had in mind. While I am in a sense going out on a limb, I believe that we can accept the amendment which Senator Kuchel suggests here. I think it is fair and reasonable. Let us hope that we do not have to come to that alternative. It would be a tragedy if we have to. But it is conceivable that we could.

In this discussion, we had this sort of a situation. This \$10,800,000 figure was mentioned. We began discussing what the situation might be in the alternative that this become necessary. We said, "Well, the State has quite a lot of money tied up in acquiring this site, and has certain other money in this year's budget."

Unfortunately, I think the amount that would be available was somewhat exaggerated at that time, through a misunderstanding. But in any event, as I find out now, it will be the \$6 million, and perhaps somewhat more. We have suggested to Mr. Banks the possibility of earmarking this investment fund so that there would be an adequate amount to meet this situation. It is my hope that something like that can be worked out. If so, this provision should not be a serious one for the Federal Government because the site, which is worth a lot of money, and these additional funds, would be made available. I think it is conceivable that a very amicable agreement could be worked out on that basis, if the general agreement for some reason falls by the wayside.

I have only one thing further in that respect. I gathered from what Mr. Dominy said here, that the Bureau and/or the Bureau of the Budget might suggest a further change in this language. If that is done, we would appreciate having the opportunity to comment upon whatever changes are suggested.

Senator ANDERSON. Mr. Dominy gave you the language this morning.

Mr. BUTLER. That is, to an extent, true. But it was sort of an "iffy" situation, as I understood him.

Senator ANDERSON. I thought he said either the Department of the Interior or the Bureau of the Budget suggested some language. He had the language available. If you want to comment on it, this is as good a time as any. You can supply a comment, if you wish.

Mr. BUTLER. We would like to send in a written communication.

Senator ANDERSON. Very well.

Mr. BUTLER. The Metropolitan Water District of Southern California is a political subdivision in the State of California operating in five major counties of that State, and organized for the purpose of providing supplementary water supplies to our member agencies on the coastal plain of southern California. We appreciate the time the committees of the U.S. Senate and House of Representatives are giving to consideration of one of the important phases of the many-sided State of California water problem. I am pleased to appear today not only to comment on the bill before you, but also to discuss the relationship which the project proposed unavoidably has to the entire California water problem, including the necessity of major future deliveries of supplementary supplies into southern California.

The Metropolitan Water District strongly favors the construction of the San Luis Reservoir. However, we have found it necessary to urge certain amendments we are convinced are necessary to protect the people served by our district. Our board does not now and never has opposed the owners of the 500,000 acres in this project obtaining the benefits of the Federal financing, including the advancements of money without payment of interest for constructing these works. But we have been concerned that the San Luis service area shall not receive what they desire on a basis that might seriously jeopardize the interest of approximately 7 million people who live in our district as well as considerable other southern California territories south of the Kings County line proposed to be served by a State water development project.

We have, we think, made every effort to be reasonable in a manner consistent with the basic interests of our people. We gladly acceded to the request of Governor Brown that we meet with the people concerned on both sides of these issues. Some agreements have been reached which, if agreeable to Congress, we think can be the means of reaching an honorable compromise in which all parties concerned can have faith.

The following is our understanding of the points involved in this compromise:

1. Recognition that a contract for construction and operation of works jointly required by the Federal and State projects on a fair and equitable basis is most essential, and that all parties will cooperate in seeking a successful conclusion of negotiations for such a contract.

2. The deadline date for negotiation of such contract as set in the bill will be amended to January 1, 1962, but that construction may begin as soon as a contract is signed and money is provided.

We earnestly hope that this can be much earlier than the deadline date because of the dire need for water supplies in some of the areas involved.

3. As a measure to increase confidence and avoid misunderstanding, the language of section 7 of S. 1887 of the last congressional session would be restored, so that the point at which Federal laws will cease to apply and State laws will prevail is clearly and unmistakably set forth. In view of the confusion which now exists in many fields over the applicability of Federal and State laws, we think this provision would greatly increase the confidence of our people in the legislation.

Let me say parenthetically, gentlemen, that our concern south of the Tehachapic does not involve this 160-acre limitation as it does north of the Tehachapic. What we are concerned about is like the man who has two bosses. Sometimes he does not know what to do. If you only have one, then you have a situation that is easier to work with.

4. Our people attach great importance to the assurance that the joint facilities, including chiefly the San Luis Reservoir and the main transmission canal, be adequate in size and that both the Federal Government and the State have equal rights in their use consistent with such reasonable operating conditions as may be set forth in the contract. Together, with provisions of the bill as now drawn, this can be assured if all parties will reasonably cooperate in the contract negotiations.

5. The State administration to cause to be introduced and pressed for passage a bill authorizing that when a contract is negotiated and entered into, title to the site of the San Luis Reservoir may be either transferred by the State to the Federal Government or jointly shared as the congressional bill and/or the terms of the contract may dictate.

May we emphasize that good faith and reasonableness on both sides is essential to the success of this compromise. They will continue to be necessary and definite as the passage of this bill, signing of the contract and construction of the works, by no means, settle all problems that will necessarily arise from time to time.

These joint works will form, so to speak, the neck of the bottle through which a vast amount of water out of the Sacramento-San Joaquin Delta area must be delivered in the future to a vast additional area of the San Joaquin Valley and other portions of central and southern California, and in addition to the 500,000 acres of the San Luis service area. Thus, the design of this neck of the bottle and its future operational policies become of exceptional importance. We would like to stress this fact to Congress and the Department of the Interior in their actions in drafting this legislation, and the subsequent terms of the contract. Because this neck of the bottle situation, and the fact that the 500,000 acres constitute only a minor fraction of the area to be served by the two governments, our board of directors feels that actual operation of joint facilities after completion of construction should be a function of the California State Department of Water Resources as made possible by section 3, paragraph D, of the bill as now drawn.

This authority should be retained in the bill. This congressional legislation should not result in any preferences to the Federal Gov-

ernment's contractors to receive water made available by the San Luis project over the rights of the State contractors to receive water made available by the Feather River-Delta diversion projects. The relative rates to such water, with due securities to all parties concerned, should be established under State law. So that there may be no chance of misunderstanding, let me say that the terms of the compromise herein described apply to S. 44 and H.R. 301 as they are now drawn or as the compromise terms propose that they be modified.

Our board of directors has approved the compromise on this basis. If the legislation, both Federal and State, is approved and the contract drawn and signed, may we point out that it is of extreme importance that funds to begin work be provided at the earliest possible date. Both in the San Luis service area and in portions of the area to be served by the State, the point of extreme need has already been reached.

This is a matter of concern to all of California because of the significance to our whole economy. Now that agreement has been reached, every effort should be made to realize the benefits to our economy which it will make possible. We join with the others interested in urging all speed on provisions for financing.

Thank you.

Senator ANDERSON. I was just looking at one part of your statement, in which you say:

Because of the neck of the bottle situation, and the fact that 500,000 acres constitute only a minor fraction of the area to be served by the two governments, our board of directors feels actual operation of the joint facilities after completion of construction should be a function of the California State Department of Water Resources as made possible by section 3, paragraph D of the bill as now drawn.

The Secretary may turn over to the State the care, operation or maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon between the Secretary and the State.

Do you regard that as a commitment to turn over any part of them?

Mr. BUTLER. No, Mr. Chairman. We are satisfied with the language as drawn. We are only expressing the hope that it will be possible to do what is permitted there. We are not asking that that be made mandatory at all.

Senator ANDERSON. I read it this way, that it says 500,000 acres constitute only a minor fraction of the area to be served by the two governments, our board of directors feels actual operation of joint facilities, after completion of construction, should be a function of the California State Department of Water Resources.

Mr. BUTLER. The term "actual operation" should be understood in the light of the language that is actually in the bill. It is just an expression of opinion, that is all.

Senator ANDERSON. You have set forth a lot of things that you understand to be in the agreement?

Mr. BUTLER. Yes.

Senator ANDERSON. You do not understand this to be any part of the agreement?

Mr. BUTLER. No. But it can be made part of the agreement, and we are just expressing the hope that it will be, that is all.

Senator ANDERSON. Are there any questions?

Senator KUCHEL. No questions.

Senator ANDERSON. Senator Allott?

Senator ALLOTT. Mr. Butler, I would like to make a remark. You have made a fine statement. I think your presence here today falls upon sympathetic ears. I only hope when we come to the development of the upper Colorado we will find your metropolitan water district in sympathy with the development of that part of the Colorado River, too.

Mr. BUTLER. Senator, I would be happy to sit down and discuss that subject with you.

Let me say here that we have a problem on the Colorado River, too. It is a water-quality problem. You might with one project not have very much effect on that, but we are concerned with the whole situation with respect to water quality. I do not want to complicate this discussion by a lot of talk about the Colorado River. But, as I say, at any time, at your convenience, I will be happy to sit down and discuss the problem with you.

Senator ALLOTT. I want to say with all frankness it is not the matter of having an opportunity to discuss that I am concerned about; I am more concerned about a little sympathy.

Senator ANDERSON. It is a good statement and we appreciate your being here today.

The next witness will be Mr. Bottorff of Bakersfield.

STATEMENT OF ALLEN BOTTORFF, REPRESENTING KERN COUNTY FARM BUREAU, WATER PROBLEMS DEPARTMENT

Mr. BOTTORFF. Mr. Chairman and honorable committee members, I am Allen Bottorff of Bakersfield, Calif. I am a farmer, and I represent the Kern County Farm Bureau, being chairman of this organization's water problems department. I have with me today Mr. Stanley Kronick, of Sacramento, upon whom we have relied for specialized counsel with respect to legislation concerning the proposed San Luis Unit. I am also authorized to speak for the California Farm Bureau Federation on this subject.

It is possible for me to be quite brief today. Your committee has at other times received our views on proposed San Luis Unit legislation, both in 1956 and 1958. We wish to thank you again for this added opportunity to state our position.

It is our understanding that the amendments offered by Senators Kuchel and Engle will conform with an agreement reached by the spokesmen for the various interests and areas of California on March 13 and will cause the Senate bill to read substantially as bills introduced in the House as follows: H.R. 5681, H.R. 5682, H.R. 5684, and H.R. 5687. The bill, with these amendments, is compatible with what we have encouraged as proper authorizing legislation.

I might say I believe substantially the amendments referred to here this afternoon are the same ones that I referred to as part of these bills.

Senator ANDERSON. You understand, though, the agreement that you say was reached here did not necessarily extend to the congressional committee.

Mr. BOTTORFF. We recognize, of course, Senator Anderson, that point, but what we are saying here has to do with the language of

something that we specifically think of in line with thinking we have had for some considerable period on the subject before you today, and on which you have a great deal of evidence, as you will recall.

Senator ANDERSON. Yes, indeed. We would respect your right to have us take that into consideration. I just wanted to say that we have an obligation to try to report the bill out in what we regard as proper language. I did not want you to regard the fact that we kept quiet as a concession that we would report it just the way you wanted it. You know we are likely to do most anything with it, although we are going to try to be as careful as we can.

Mr. BOTTORFF. I do recall, however, that we talked together on the subject of the desirability of having an agreement, and there were other points we had which were quite compatible with yours, I know.

Construction of the San Luis project as a joint State-Federal undertaking in order to achieve economic and comprehensive development is unique, yet practical, and should be encouraged. The San Luis project is a vital key in that portion of the State's water development program which would provide a water supply to many water deficient areas in southern California and to thirsty lands in Kern County. Through the State participation in the project, as contemplated by S. 44 as amended, the facilities for joint use by the State and the United States will be constructed so as to permit the transportation of water from the delta to Kern County and southern California. These same joint-use facilities also will be utilized by the Government to meet the critical water requirements of the area which is commonly called the west side of the San Joaquin Valley.

We are happy to endorse S. 44 as amended by the originally proposed amendments of Senator Kuchel and Senator Engle and we would strongly urge the enactment.

I would also like to introduce Mr. Vance Webb, supervisor from Kern County. He has presented the position insofar as general principles are concerned which are substantially in agreement with the positions we have found possible to bring together in the last week. And also Mr. William E. Moore, Jr., who has asked that I present for him a statement to be filed for the record following my remarks.

Senator ANDERSON. Thank you.

Mr. BOTTORFF. That completes my statement, Mr. Chairman, and I thank you very much for the opportunity to be here before you today.

Senator ANDERSON. May I in turn thank you for a statement that you were able to keep so brief and present as a fine statement.

Mr. BOTTORFF. I sincerely hope that what it says will be seriously taken into consideration.

Senator ANDERSON. This is a fine thing and we appreciate it. Thank you.

(Mr. Moore's statement is as follows:)

STATEMENT OF WILLIAM E. MOORE, JR., ON S. 44

My name is William E. Moore, Jr., of Bakersfield, Calif. I am a member of the Kern County Water Commission and represent a group of farmers in the south end of the San Joaquin Valley in the Wheeler Ridge-Maricopa area. Our people are now in the final stages of organizing a water storage district of the

same name, for the purpose of receiving a substantial supply of supplemental water.

For the record, I would like to state that we in our area are in favor of S. 44 as amended by the authors on this date, March 16, 1959.

It is recognized that the Bureau of Reclamation has done a wonderful job in California with the building of the Central Valley project. Nevertheless, despite this fine effort, the water problem in California has become our State's No. 1 problem. It must be solved and, in my opinion, this solution will take the combined efforts of all levels of government—Federal, State, and local.

In our area, Kern County, time is running out and we are facing an extremely critical situation. Our engineers tell us that the overdrafts on our primary source of water is approaching 700,000 to 750,000 acre-feet annually. Today, we are not only looking for the first project to bring supplemental water to our area, but also the second.

The farmers and businessmen of Kern County are confident that Governor Brown, Harvey Banks, and the California Department of Water Resources will solve our problems most efficiently within a reasonable length of time, but they will do so only with the use of the San Luis damsite for storage and water regulatory purposes. We, too, however, recognize the similar plight of our neighbors to the north who in turn also need the San Luis damsite as part of the Central Valley project.

Gentlemen, with this general picture, I am sure that you understand our need for national legislation that allows a fair and equitable partnership arrangement between the State and the United States. We feel that S. 44 in its amended form is that necessary legislation. If authorized under this bill, California and the United States will have an integrated project which will have many practical benefits to all parties concerned. It will be a new development in State-Federal relationship—one that has been long needed and one that will have everlasting benefits. Thank you, gentlemen, for the few minutes of your time. It is sincerely appreciated, as I know that these are busy times for the Senate.

Senator ANDERSON. The next witness will be Mr. Charles Bates.

STATEMENT OF G. W. BATES, SECRETARY-MANAGER, CENTRAL CALIFORNIA IRRIGATION DISTRICT

Mr. BATES. Mr. Chairman, my name is C. W. Bates. I am secretary-manager of the Central California Irrigation District. Before proceeding with my formal statement, which is very brief, I would like to introduce the president of the board of directors of the Central California Irrigation District, Mr. Lawrence Wolfson, and also our director, Mr. Herman Willis.

As I had the honor and pleasure of appearing before this committee almost exactly a year ago today on Senate bill 1887, I will not take up your valuable time with a repetition of the testimony given at that hearing, which is already on record.

The gist of the testimony a year ago was that there are more than 7,000 farmers, farming an area of approximately 350,000 acres on the west side of the San Joaquin Valley which lands are at a lower elevation than the lands within the San Luis unit project area. These farmers sincerely believe that protection should be given to their lands from the drainage necessarily resulting from the application of newly imported water supplies in large quantities on the higher elevation lands of the San Luis unit project area.

As a result of a recognition of this need by all parties concerned S. 44 now contains essentially the protection which we feel is necessary.

Since preparing my statement, I believe, without qualification the amendment has been presented by Senator Kuchel in S. 44 to take this

into consideration, which does essentially as follows, with the amendment that Senator Kuchel read. It provides—

In the event the State of California does not construct the master drainage and disposal channel which we hope and believe will be the case, the San Luis unit will at least take care of the drainage arising from its own area, and in conjunction with section 4 of S. 44 allow possible joint usage of the facilities so constructed.

In other words, the bill now provides with the amendment that if the State of California does not construct the master drain, the San Luis unit farmers will take care of their own drainage, which satisfactorily meets the requirements of our area.

Thank you, sir.

Seantor ANDERSON. The provision that has been suggested is satisfactory to you?

Mr. BATES. That is correct, sir.

Senator ANDERSON. Thank you very much.

The next witness will be Mr. Peterson.

STATEMENT OF WILLIAM S. PETERSON, GENERAL MANAGER AND CHIEF ENGINEER, DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, CALIF.

Mr. PETERSON. Mr. Chairman and members of the committee, my name is William S. Peterson. I am general manager and chief engineer of the Department of Water and Power of the city of Los Angeles and will present the viewpoints of that organization.

I am very pleased to appear on behalf of S. 44 as recently amended, and I am referring to the amendments which Senator Kuchel proposed at the beginning of this afternoon's session, and join with many other interested agencies who have come into agreement on these recent amendments and who are urging the passage of this bill. I commend the Governor of California and his representatives in having a responsible part in bringing about this agreement of various interests.

In line with my previous testimony on the bills for the San Luis project, my chief concern has been that the right of the state to an adequate share of the full development of the San Luis Reservoir be protected until State legislation could be consummated on the Feather River project. I believe that the bill, S. 44, as presently amended, and the significant support it is receiving, will expedite the necessary State legislation so that the combination of the January 1, 1962, cutoff date and the mandatory design and construction so that the project may be either expanded to the ultimate capacity or built initially to the ultimate capacity will protect the State's interests.

I would like to add a supplementary comment. In connection with the Friday meeting which Mr. Butler made reference to, my ideas are very similar, because at that meeting when we were discussing the "shall" instead of the "may" clause in the first section, the point could be made that our only discussion pertained to a portion of the committee report which cited the 10-million-some-odd-thousand dollars as being the extra expense of this. As you have developed here, that applies to the dam and reservoir.

I might say that I believe our position would still remain the same if the new proposal of Senator Kuchel to limit that "shall" to the dam and reservoir facilities—that would, I think, cover the ground.

As a word of caution, I could only add that you also check into the question of the relative timing, I might say, of the reservoir construction and the canal construction, to see that there are no inconsistencies.

Senator ANDERSON. Would it be fair to assume that one of the things you had in mind was that since you had moved this date by which the State must accept it to January 1, 1962, that if the project were to be approved and authorized, with appropriations made for it, the Department of the Interior could go ahead in even 1960 and start building the dam and would not have to wait for the State?

Mr. PETERSON. That, I think, is correct.

I would again say that in the action that was taking place, it was our intent, reading from our own personal files on this subject, that we were considering that it was in line with the committee's findings, which Senator Kuchel read to you as paragraphs 6 and 7 of the committee report. That is where it said that with or without agreement with the State, the San Luis unit reservoir and other facilities should be designed to provide an ultimate storage capacity of at least 2 million acre-feet, even though only about half that volume is required for the San Luis unit area. That pretty closely ties it in again with the reservoir. That is importantly mentioned there.

In the same way, seven might be read in, too. That is in line with what our intent was.

We are also pleased to have a direct statement in the bill to clarify the fact that the areas served by the State project will not be subject to the 160-acre limitation under Federal reclamation law. The use of section 7 of S. 1887 of last year is satisfactory.

Again I request that favorable action be taken on S. 44 as either now or prospectively to be amended.

I thank your committee for the opportunity of appearing before you.

Senator KUCHEL. I want to thank you also, Mr. Peterson. I have had a chance to sit and talk with you on many occasions about this. I think that this very happy situation is in great part because of excellent engineers like you.

Mr. PETERSON. Thank you.

Senator ANDERSON. I do not want to leave someone out. Is there someone who has a statement with reference to the San Luis project, who has not had an opportunity to make it but who desires to make it?

Hearing none, we will close that part of the hearing.

Senator KUCHEL. Mr. Chairman, may I take just 30 seconds?

I am not going to make a speech, but this chapter in my life is temporary at best. I want to thank the people in this room from California who have seen to it that this piece of legislation receives the support of all of them. I mean it. I think it is great.

California is fortunate that reasonable men with the interest of the State of California uppermost in their minds have been able to fashion a piece of legislation that I think now has a very excellent opportunity of passing.

To that extent, it is going to help all of us.

I thank you as one of the Senators in the Congress.

(Senator Anderson, at the request of Senator Kuchel, subsequently ordered the following memorandum printed in the hearing record:)

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
March 20, 1959.

Memorandum to Senator Anderson.

I have reviewed the record of the hearing on S. 44, to authorize the San Luis unit, Central Valley project, California, together with Associate Commissioner Dominy's letter to you of March 19. My particular attention was directed to an analysis of the cost involved in the amendments, principally to section 1, with respect to the authorization for construction by the Secretary of the Interior of the joint-use facilities. I come up with these figures, which appear to me to be controlling:

1. The authorization for appropriations in section 6 of the bill is \$290,430,000.

2. Included in this total of \$290,430,000 are: (a) \$10,814,000 for footings and other facilities of San Luis Dam, whereby the capacity may be increased from 1 million acre-feet to 2,001,000 acre-feet (i) if the State comes into the project, or (ii) if the service area of the San Luis project is extended to the Avanol Gap area in the southern San Joaquin Valley;

(b) Four million dollars for additional capacity or facilities at the Tracy pumping plant, under either of the conditions mentioned in (a); and

(c) Two million eight hundred and eighty-seven dollars for San Luis modifications in the event the enlargement project is developed.

The total of these figures provided for in the \$290,430,000 authorization for appropriations is \$17,701,000.

3. This \$290,430,000 appears to be an absolute limitation so far as the facilities mentioned with the respective amounts estimated. Any additional facilities, such as further enlargement of existing canals or additional canals would require reauthorization by the Congress. It is estimated that in event the State project comes in an additional \$5 to \$8 million would be required to finance extra outlet capacity in the dam.

4. The State of California has been engaged in the purchase of the right-of-way for the dam and reservoir and it has generally been the understanding that it would make the contribution of the cost of the right-of-way to its share of the additional cost of the projected facilities of the dam and reservoir in connection with the possible cost of extra outlet capacity in the dam, in the event the State comes into the project.

5. Because of the sharing of the cost of San Luis Dam and Reservoir and other joint-use facilities, it is estimated that the cost to the United States of the San Luis unit will be reduced to something like \$230 or \$240 million because of the State's assumption of its share.

6. The best engineering advice that can be gotten is that enlargement of the San Luis Canal to accommodate the State's Feather River project would be infeasible. Therefore, the permissive language that the Secretary may construct joint-use facilities, other than the San Luis Dam and Reservoir, should be construed to authorize the Secretary to act as the constructing agent in connection with the State project. The permissive "may", in this connection, is interpreted to mean just that. In other words, a second canal as a part of the State project would be constructed only if the State put up the money for that purpose.

In reviewing the transcript and the Dominy letter of March 19, as well as checking personally with reclamation personnel, I am convinced that the amendments to section 1 fully safeguard the maximum authorization of \$290,430,000 for the construction of the Federal San Luis unit as a maximum, and that any departures or substantial modifications of the construction items listed will require congressional authorization or approval.

In other words, the suggestion that the project might involve a Federal expenditure upward of \$400 million or so has been eliminated by the modifying amendments in the committee print, supplemented by the explanations I have summarized in this memorandum.

GOODRICH W. LINEWEAVER.

Senator ANDERSON. A telegram dated March 16, 1959, signed by Paul S. Taylor, of Berkeley, Calif., will be placed in the record at this point.

(The telegram referred to follows:)

BERKELEY, CALIF., *March 16, 1959.*

Senator CLINTON P. ANDERSON,
Chairman, Senate Irrigation and Reclamation Subcommittee,
Senate Office Building, Washington, D.C.:

Am forwarding promptly a statement opposing restriction of Warren Reclamation Act of 1911 as proposed in San Luis project bill H.R. 301 and favoring Federal construction of entire project. Please hold record open briefly to permit statements inclusion in printed hearings. Regret cannot come to Washington to appear personally.

PAUL S. TAYLOR.

(See appendix for the statement submitted by Mr. Taylor.)

Senator ANDERSON. That will conclude the hearings for today.

(Whereupon, at 5:05 p.m. the committee was recessed subject to call of the chairman.)

Senator ANDERSON. I declare this hearing recessed, subject to the call of the Chair.

SECTION II

**SAN LUIS UNIT, CENTRAL VALLEY PROJECT,
CALIFORNIA**

TUESDAY, MARCH 24, 1959

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

(By direction of the Committee on Interior and Insular Affairs, in executive session on March 24, 1959, the following colloquy in connection with the consideration of S. 44 is made a part of the public record of committee action in reporting favorably on the measure:)

The committee met, pursuant to call, at 10 a.m., in room 3110, New Senate Office Building, Senator James E. Murray (chairman) presiding.

Present: Senators Murray, Anderson, O'Mahoney, Bible, Neuberger, Carroll, Church, Moss, Kuchel, Allott, and Martin.

Also present: Richard L. Callaghan, staff director; Stewart French, chief counsel; James H. Gamble and Goodrich W. Lineweaver, staff members.

The CHAIRMAN. The meeting will come to order, please.

* * * * *

Senator ANDERSON. Now, Mr. Chairman, we come to a third bill which is S. 44, to authorize the San Luis unit, Central Valley project, California. I guess we should allow Senator Kuchel to speak about it.

I do want to say for myself that the San Luis unit is one which I had the privilege of carefully inspecting because it involved a total of \$290 million as a Federal undertaking alone, and, if combined with the State project, involved a total of \$480 million. I thought a project that ran nearly half a billion dollars was one I wanted to see myself, if I could do so.

I have been not only all over the area where the canals are to be constructed, but I have gone to the Tracy pumping plant. I have followed the Delta-Mendota Canal up to the spot where water will be taken from it and put into a lift that would raise it up into the San Luis Dam and Reservoir. I have flown around the area of the San Luis Reservoir and then returned and followed the canal line on down into the area which would eventually take the water probably down to Los Angeles if the large State project is constructed, or perhaps into the Kern County area or something of that nature.

But at least I can say I have been over the project. I want to put into the record that I endorse the project strongly, that I completely

endorse this bill, and that I hope it may be reported to the Senate as unanimously by this committee this year as it was last year.

It passed the Senate last year after some discussion. It is a better project this year than it was last year because every year you delay the construction of works of this nature, the more desperate the situation becomes as to certain additional works that may be constructed in the future.

I am referring, for example, to the groups who were represented here.

It is a strange thing for a person like me from an area that is devoid of water in certain spots to find a State like California that has got too much of it in spots. Under this situation, it needs to bring the water up and put it into a large reservoir and then possibly take it out of the other end of that reservoir and pour it down into another area for use on the lands that are involved in that irrigation project.

This is a sample of intelligent planning on the part of the Federal Government plus, I think, good planning on the part of the State of California.

I use the word "good" only because California has not yet completely joined in this San Luis project. When it does and takes its share of it, I think it will be an extremely fine project.

I am happy, of course, to yield to my good friend from California who, with Senator Engle, has worked hard to bring out a bill on which the State of California finds itself in general agreement.

I would like the record to show that, as chairman of the subcommittee on irrigation and reclamation, I would commend the two California Senators who put in a lot of time on this bill, and helped us by avoiding a fight over the distribution of this water by putting in language that I think is satisfactory to all concerned.

Senator Kuchel, I am glad to give you the floor.

Senator KUCHEL. Once again I am grateful to the distinguished Senator from New Mexico for the monumental assistance he has given to the people of California in an attempt to make progress and to solve this continuing basic problem of water.

Senator ANDERSON. I wonder if I could be excused because there may be discussion of the amendments and I would like to be reported, Mr. Chairman, as voting in favor of all these amendments. I hope that there will go into the record this language with an explanation of why it is going in, and I would like very much to be recorded as voting in favor of the bill, if I may, on the final report.

Mr. LINEWEAVER. You mean the amendments in the committee print?

Senator ANDERSON. Yes.

Senator O'MAHONEY. And no others?

Senator ANDERSON. No others.

I think, for the record, I had better say what my problem has been.

I would like to see the project developed so that the State can join with it. Therefore, I would like to see the dam, when the first construction is done on it, built so it later could fit into the State plan and the reservoir have a capacity of 2,100,000 acre-feet of storage rather than 1 million acre-feet of storage as planned for the San Luis unit alone. But I would not want to commit the Federal Government to build a big dam unless the State of California was going to put up its share.

Senator O'MAHONEY. Are those figures to be in the report?

Senator ANDERSON. The report is going to be worked out to show that the bill authorizes a \$290 million project, which includes \$10,800,000 for the basis for enlargement of the foundations and footings for the dam. That is what the Bureau of Reclamation recommended, and that is what I think this committee would be wise to do.

There is no disagreement between Senator Kuchel and myself. The only misunderstanding was as to language. I believe the best way to clarify the language is by the report.

I might say to the Senator from Wyoming I hope he takes a good look at the report, too, because it is going to be shown by Senator Kuchel to Senator Allott. I made a commitment to Senator Allott that he would have a chance to look at the language. It is going to be seen by Senator Bible, and I would be very happy if the Senator from Wyoming would take a look at it also.

Senator O'MAHONEY. I notice that on page 2, lines 17 and 18, the amendment contains the alternative language which was suggested by Senator Kuchel at the last meeting when this was discussed, by substituting for "the joint-use facilities" the words—

the joint-use facilities consisting of the dam and reservoir shall be constructed and its joint-use facilities may be constructed so as to permit future expansion.

That seems to meet all the objections that were raised at that time.

Senator ANDERSON. I surely appreciate that statement from the Senator from Wyoming.

Senator O'MAHONEY. But I notice this is the Committee Print No. 1. The print we had at our last meeting showed amendments. So is this not Committee Print No. 2?

Senator ANDERSON. This is the same text, I think.

Senator KUCHEL. Mr. Chairman, I want to thank also my good friend the able senior Senator from Wyoming for participating in the hearings and in helping to eliminate the question which arose when we did have the hearings a couple of weeks ago.

Mr. Chairman, the bill, in effect, authorizes the Secretary of the Interior to construct the San Luis unit of the Central Valley project. That unit to become an integral part of the Central Valley project, which is a Federal reclamation project operating in the two great valleys of California. Meanwhile, the people of the State, through their State government, have gone forward in the development of plans for a series of water projects to be developed and built by the State to bring supplemental water to those areas which need it by reason of the tremendous increase in population in my State.

The State water plan, as conceived by the State government, is an \$11 billion undertaking. A portion of the State water plan is termed the Feather River project. In a word, a State project by which supplemental northern water would be transported over the mountains or around the coastline of Santa Barbara and Ventura Counties into all the areas of southern California, to be used in the main, of course, for supplying supplemental water for people and for industry as well as for agriculture.

These two great projects, one a Federal project and one a State project, would cross at the San Luis Reservoir site. Here is one instance where the Supreme Being saw fit to place in the mountains at San Luis an admirable site for a storage reservoir.

Thus, working together, the people representing the State and the people representing the Federal Government conceived the idea of an integrated reservoir which would supply storage needs for both the Federal reclamation project and the State project.

Thus, as has been previously suggested by the Senators from New Mexico and Wyoming, this legislation would authorize the Secretary of the Interior to construct a dam of the size necessary for the Federal project but upon a foundation large enough and strong enough to permit subsequent enlargement so that the State, paying for that enlargement, would be able to utilize the storage reservoir as a part of the Feather River project when it comes into being.

Senator BIBLE. What is the date by which they must meet that agreement?

Senator KUCHEL. The bill provides that the agreement must be reached by the first day of January 1962. In the interim period of time a general election will have been held. The State legislature now is in its general session.

The Governor of California, appearing and testifying in favor of the legislation here before us, indicated that he had complete optimism that the legislature would proceed with the required State legislation to implement this bill. Beyond that he expects the State to pass such legislation as would require the people's approval to raise those moneys by a bond issue which would be necessary to carry on the Feather River project.

In connection with the statement I made just a moment ago about the Secretary's authority to construct this dam and to construct it in a fashion to permit subsequent enlargement, I would like to read the letter of Assistant Secretary of the Interior Aandahl, which was received by the committee at the committee's request:

DEAR SENATOR ANDERSON: The language of Committee Print No. 1 on S. 44 in lines 17-20, page 2, provides that the San Luis Dam and Reservoir shall be constructed so as to permit future expansion. We assume this language applies to enlargement to accommodate the State plan rather than an enlarged Federal project.

I am informed by the Bureau of Reclamation, and I agree, that in the event the Bureau of Reclamation so constructs the San Luis Dam, the provisions to permit future expansion will be generally as follows:

1. Installation of outlet works in the initial structure of sufficient capacity to accommodate ultimate use;
2. Acquisition of lands and rights-of-way to elevations ample to accommodate the 2,100,000 acre-foot reservoir; and
3. Construction of those elements of the dam, such as the cutoff trench and the impervious core that would be extremely difficult and costly to modify later, to specifications that would serve the larger dam structure.

I am advised further by the Bureau that if provision were to be made for enlargement the main structure would not be constructed initially to the base width necessary for the higher dam. Several minor saddle dams would also be involved in construction of a 1 million acre-foot reservoir. These would be constructed in the most economical manner to permit their later enlargement.

I want, of course, that that be made a part of the report at this point so that the intent by which this legislation would be considered here and, I hope in the Congress generally, would be clear and unmistakable.

The bill thus provides for a contract to be entered into with the State under which the dam to a capacity of 2,100,000 acre-feet would be constructed. It provides for the transfer of title of the necessary real property interests from the State to the Federal Government,

and it has adequate and reasonable provision for operation of the reservoir.

This, Mr. Chairman, represents, I think, an admirable type of cooperation between the two levels of government, Federal and State. It provides for an equitable cost-sharing between them. It also provides that if the State were to be unable to come into any agreement, then the Secretary, as a Federal project alone, would commence construction of the project, but in no event should such construction commence until 90 days after the Secretary has reported to the Congress.

This legislation has been approved by the Department of the Interior, the Budget Bureau, the Governor of California and, in essence, by this committee and by the Senate last year.

I want to say very frankly that, in my judgment, the reason that this long overdue legislation has not previously been written into law by the Congress has been because of a sectional dispute, sometimes bitter, between people in the north of my State and people in the south. But I am delighted to tell you that, as a result of a series of conferences in which I participated last week or the week before last, the people representing the various sections of the State have agreed to urge, on a unanimous basis, favorable consideration of this legislation by the Congress.

Two more things ought to be mentioned.

An amendment was proposed by both the Senators from California, which is in the bill now before us, to make crystal-clear that reclamation law will apply to all waters flowing from San Luis Dam which serve the Federal Central Valley project, and, further, that State law and State law alone shall govern the use to which the waters may be put which flow from the San Luis Dam into the State system.

One more thing.

As Senator Anderson suggested, the bill also authorizes the Secretary to provide supplemental water service to the lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties.

I recall with pleasure that my friend from Idaho, the able junior Senator from that State, matriculated at Stanford. That area, he will recall, is in exceedingly dire straits now from the standpoint of supplemental water, and this would recognize that responsibility. It would further provide, however, that no construction of such additional facilities should be undertaken until feasibility has been determined, and, beyond that, that the Governor of California shall have notified the Department of the Interior that the State approves such works of construction.

Aside from those amendments which I have commented on, Mr. Chairman, the balance of the amendments, I think I may say in all truthfulness, are technical in character where they differ from the bill as it was approved last year.

Senator BIBLE. The overall cost of the project is \$290 million. Is that correct?

Senator KUCHEL. The overall cost to the Federal Government would be approximately \$290 million, and that would be the ceiling which would be placed on this present legislation.

Senator BIBLE. Does that include the larger cost for the footings?

Senator KUCHEL. Yes, it does.

Senator BIBLE. That is an additional \$10 million, the footings for a larger dam?

Senator KUCHEL. Yes, in round figures. \$10,814,000; almost \$11 million for the footings and other facilities of the dam.

Mr. LINEWEAVER. Senator Kuchel, you may desire to state that should the State and the Federal Bureau of Reclamation work out this joint contract, the cost to the Federal Government would probably be reduced to \$250 million.

Senator KUCHEL. And is that included in your memorandum of yesterday, Goodrich?

Mr. LINEWEAVER. No, sir; but it was stated at the hearing.

Senator KUCHEL. By the Department of the Interior?

Mr. LINEWEAVER. Yes, sir.

Senator KUCHEL. Yes, that is important, and I thank you for it.

Senator O'MAHONEY. May I ask you, Senator, if this letter of Secretary Aandahl, dated March 24, 1959, which you have just read into the record, was written on the basis of this document which we call Committee Print No. 1? This is the precise one that he had before him?

The reason I ask that question is because in the opening sentence it is not altogether clear that he is referring to this specific amendment.

Senator KUCHEL. I will answer that, Senator, unequivocally. That is, however, the fact.

Senator O'MAHONEY. That is what I thought.

Then it is your understanding that these subparagraphs in Secretary Aandahl's letter, labeled "1, 2, and 3," constitute the type of dam and reservoir construction which is meant by the amendatory language "the joint-use facilities consisting of the dam and reservoir shall be constructed"?

Senator KUCHEL. It is, without any reservation at all.

Senator O'MAHONEY. And then I notice from the remaining phrase of that opening part, the new sentence reads as follows: "and other joint-use facilities may be constructed so as to * * *."

Now the use of the word "may" there has been followed I assume because the construction of these other joint-use facilities is dependent upon the agreement with the State.

Senator KUCHEL. The senator is correct.

Senator O'MAHONEY. Then in line 23 of page 2 there is amendatory language consisting of the words "or the joint-use facilities", and it says:

or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis Unit service area and the State's service area as hereinafter provided.

The words "hereinafter provided" are amendatory words?

Senator KUCHEL. Yes, indeed.

Senator O'MAHONEY. And that, likewise, is intended to make it clear that the obligation of the Federal Government to build these additional joint-use facilities is dependent on the agreement with the State?

Senator KUCHEL. Precisely.

Senator O'MAHONEY. Then on page 4 there is no amendment, but there is a proviso beginning in line 19 which reads as follows:

Provided, That, if the Secretary so determines—

that is to say that he determines that the prospects for agreement with the State are not reasonably firm—

he shall report thereon to the Congress and shall not commence construction for 90 calendar days from the date of his report (which 90 days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than 3 days).

There appears to be no language to indicate why that 90-day calendar period is provided. Is it the intention to give to Congress 90 days in which to reexamine the matter and the failure of the State to enter into a joint contract?

Senator KUCHEL. I will say yes, but I will say more than that.

This is, without any question of a doubt, an authorization for the construction of the San Luis Unit as an integral part of the Central Valley project. It is the hope and it is the belief of those who sponsor the bill that the State will join in the development, and that the San Luis will be an integrated reservoir of twice the capacity which the Federal construction loan would envisage.

The 90-day provision was added a year ago in an attempt to indicate to the people in the House of Representatives the desire on the part of the sponsors of this legislation in the Senate a fairness in which that additional period would be given for any activity by Congress which Congress might deem appropriate.

Senator O'MAHONEY. Would that include a decision not to proceed because the State had not made the contract?

Senator KUCHEL. By repeal legislation, yes, sir.

Senator O'MAHONEY. In other words, that is the intention of it?

Senator KUCHEL. Precisely.

Senator O'MAHONEY. And on page 5, line 16 of Committee Print No. 1, the word "it" refers to the State, does it not? [Reading:]

* * * it shall have an irrevocable right to enlarge or modify such facilities at any time * * *.

Senator KUCHEL. Yes, sir.

Senator O'MAHONEY. Then why is the word "unduly" inserted in line 21?

*Provided, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation * * *.*

That is an amendment, that word "unduly"?

Senator KUCHEL. Yes, and I think that was recommended so that, while it is clear, I think, that any such performance of work would to some extent, however minor, interfere with the operation, that it was not that minor interference which the Congress wished to disregard, but, rather—

Senator O'MAHONEY. Do you have a statement to that effect in the report?

Senator KUCHEL. At this point, Mr. Lineweaver, may I suggest, so there will be no misunderstanding, in answer to the question of the Senator from Wyoming, that we indicate why the word "unduly" on page 5, line 21, was put in there along the lines indicated.

Mr. LINEWEAVER. Yes, sir. The word "unduly" was suggested in order to protect the Federal operations.

Senator O'MAHONEY. Thank you very much, Senator.

Senator CHURCH. Mr. Chairman, I would like to say it was my pleasure to sit in on the meeting of the subcommittee at the time this project was explored last week, to hear the many witnesses that the State of California brought to Washington to testify. I was very much impressed at the time with the excellence of the project, with the example it gives of the possibility of effective collaboration between the State government and the Federal Government, and also with the probing questions that were addressed to the text of the bill by the distinguished senior Senator from Wyoming. I think he rendered a very real service in strengthening the language, in clarifying points that were obscure and subject to serious question, and that his work is reflected in the final text as it appears before the whole committee today.

I commend him for that and also the senior Senator from California for the excellent summation he has given the committee.

I think it is a very worthy project, and I would like to move that the committee report it out favorably.

Senator KUCHEL. I gratefully appreciate what my friend has said, and I want to join with him in his comments with respect to my friend from Wyoming because he did perform an invaluable service. Beyond that let me say this is an example, I think, of where partnership between two public agencies represents a real opportunity for progress and a real example which I hope will be followed in other instances.

Senator O'MAHONEY. I think it stands a very, very fine chance of establishing a very fine precedent.

Senator KUCHEL. Once again I thank my friend from Wyoming.

Let me second the motion, and, in doing so, say that I look forward to the help of you gentlemen on the floor. The bill did pass a year ago. I would like to see it pass again, and then, more important, I would like and hope that this time it might pass the House of Representatives.

Senator CARROLL. Just one question, Mr. Chairman.

Senator Church mentioned the hearings of last week or the week before.

Is there ample testimony in the record, in our reports? This is a large sum of money, and I think it would be wise for us to have the testimony of last week, or, if necessary, incorporate the testimony from other hearings.

Do you think there is adequate testimony in the testimony now?

Senator KUCHEL. Yes, I do, although we have copies of the hearings of last year available which were incorporated in our proceedings by reference. I think a fairly clear picture was developed in our hearings this year.

Mr. LINEWEAVER. May I just, for Senator Carroll's information, say that the previous hearings—last year and the year before—were incorporated in the record last week by reference, so that the committee has the complete story.

Senator KUCHEL. May I ask unanimous consent that in the report of S. 44 there be included the colloquy which occurred this morning between the Senator from New Mexico, the Senator from Wyoming, the Senator from Idaho, the Senator from Colorado, and the Senator from California?

The CHAIRMAN. It is so ordered.

You have heard the motion. Those in favor of reporting S. 44 signify by saying "Aye"?

Opposed?

The ayes have it, and it is reported unanimously with the amendments.

Senator Kuchel will make the report.

Senator O'MAHONEY. Mr. Chairman, I understand that the request of the Senator from California for inclusion in the report covers the interrogation of the Senator by me also?

Senator KUCHEL. Oh, yes; let us be a little liberal on that.

The CHAIRMAN. The entire colloquy will be printed as an appendix to the report on S. 44.

(Whereupon, at 11:55 a.m., the committee recessed subject to the call of the Chair.)

APPENDIX

STATEMENT OF THE CALIFORNIA FARM RESEARCH AND LEGISLATIVE COMMITTEE ON S. 44

Mr. Chairman, members of the subcommittee and the full committee, once again our committee urges upon you the claims of the people of California for immediate authorization of the San Luis project and related works in the Central Valley of California as generally set forth in S. 44 (Kuchel and Engle).

We likewise support amendments which may be offered to provide water from the San Luis project through the Pacheco Tunnel for lands and municipalities in Monterey, San Benito, Santa Clara, and Santa Cruz Counties following feasibility studies, review of the feasibility report by the State of California with approval by the Secretary of the Interior and the Congress of the United States.

During the year which has elapsed since we supported measures you had under consideration for a San Luis project, California has taken a giant step toward the goal of meeting its water needs.

At the request of Gov. Edmund G. Brown, the State assembly has committed the State investment fund to development of the State's water resources, and there is little doubt that the Senate will follow the lead of the lower house.

Such action must assure you that California is united in its determination to join in the San Luis project at the earliest possible date. The moneys in the fund may be spent for investigations, site acquisitions, or construction of any of the project's features.

(In this connection we believe that sec. 3 of the bill should spell out more concretely terms for giving credit to the State for any expenditures which would be normally made by the United States not only for joint use facilities, but also for specifically Federal facilities, either nonreimbursable or reimbursable by water or power users, in order that the water development fund may remain as "seed money" for future projects.)

Your immediate favorable action upon S. 44 will make it possible to start construction of facilities which are desperately needed for water-short farmlands and water-short cities.

Collateral action essential to assure that the San Luis project may be operated at the lowest possible cost is construction of the power features at Trinity Dam and appurtenant works by the United States. We, therefore, further, urge upon you the necessity of opposing any partnership proposals in relation to the Trinity project.

In our support of S. 44, may we restate our historical position that we have continuously called for a federally constructed San Luis project fully integrated with all existing and future phases of the Central Valley project, including the Trinity River division, and to be operated in accordance with the public power, acreage limitation, and antispeculation provisions of reclamation law.

At a legislative conference called under our auspices in Sacramento on February 13, 1959, a resolution drafted by us was unanimously adopted, which took into consideration the new developments in California's water program posed by Governor Brown's water message. In this statement, copy of which is inclosed, we stated in part:

"We concur in the Governor's belief that the Federal Government should be asked and that it will continue to finance western projects designed for navigation, flood control, and irrigation.

"We maintain, however, that to insure maximum Federal aid it is essential to write into State law the same antispeculation and public power preference provisions now operating in Federal law. There is ample precedent for enactment of these safeguards since the State constitution contains a provision for a 320-acre limit on State land grants (art. XVIII, sec. 2) and the people of California

voted for public power preference in the California Central Valley project referendum of 1933. * * *

We fully believe that any inconsistencies between Federal and State safeguards will be resolved by the State of California in favor of conformity with Federal practices as we cannot conceive that the people of California would allow a more expensive, less beneficial State San Luis project to exist side by side with a less expensive, more beneficial Federal San Luis project.

Mrs. GRACE McDONALD, *Executive Secretary.*

DRAFT RESOLUTION ON GOV. EDMUND G. BROWN'S WATER MESSAGE

We hail the Governor's water message as a step toward integration of all local, State, and Federal water and hydroelectric projects into a unified system which will conserve hundreds of thousands of acre-feet of water and millions of kilowatts of electricity which otherwise would be wasted.

Entry of the State of California into the field of water development and conservation should end once and for all uncoordinated piecemeal approaches and assure every section of the State the water it needs.

The Governor's water message for the first time offers a realistic framework for full, basinwide development of the State's water resources in cooperation with the Federal Government in accordance with comprehensive, integrated plans which assure maximum soil and forest conservation, flood control, reclamation, and irrigation of land, improvement of navigation, abatement of pollution, adequate municipal and industrial water supplies, protection of fish and wildlife, expansion of recreational facilities, and production of power for project pumping and transmission to public agencies.

Governor Brown's further vision in proposing to place California into a Western States power grid offers a solution to the State's water transportation power requirements as well as to adequate supplies of power for municipal, agricultural, and industrial use while providing revenues for surplus Northwest power.

The Governor's water plan should be implemented to bring State law into conformity with provisions of Federal reclamation law (1) to give public bodies priority in the purchase of publicly generated power, and (2) to limit acreage served by project water to an individual ownership of 160 acres or 320 acres to husband and wife. This limitation acts as a deterrent to speculators and to land monopoly, protects the family farm, and allows maximum participation in project benefits by veterans and others who wish to make farming a way of life.

Without such State safeguards, the way is left open for land speculation and undue enrichment of private power, real estate, and corporate farm interests at the expense of the State's taxpayers.

The Governor recognizes that the core of our problem is distribution and not lack of water. He calls for immediate use of the 3.5 million acre-feet now wasting to the sea through San Francisco Bay; the place to use it being water-short San Joaquin lands, portions of the bay area, and southern California; the means, extension of the Delta-Mendota Canal and the South Bay aqueduct system.

For the works that will be needed to supply all California's future needs, the Governor's plan contemplates automatic triggering of projects already laid out as part of the Central Valley project and supplementary features of the California water plan.

We concur in the Governor's belief that the Federal Government should be asked, and that it will continue to finance, western projects designed for navigation, flood control, and irrigation.

We maintain, however, that to insure maximum Federal aid it is essential to write into State law the same antispeculation and public power preference provisions now operating in Federal law. There is ample precedent for enactment of these safeguards since the State constitution contains a provision for a 320-acre limit on State land grants (art. XVIII, sec. 2) and the people of California voted for public power preference in the California Central Valley project referendum of 1933.

Brown's concept of charging for project water at a single utility rate for each class of users is thoroughly defensible. There are no longer any really cheap damsites left anywhere in the State. Without public subvention and wide-

spread support, few areas would be able to build any of the works they require. The should not request additional benefits in the form of cheaper rates because of some accident of location.

We recommend acceptance of Brown's Federal reclamation principle that power revenues should be used to assist irrigationists to pay the cost of water. We specifically endorse his concept that public power revenues should also subsidize municipal and industrial water. Since an acre of farmland and an acre of city land use about the same amount of water, present benefits to irrigators afford a sound and rational basis for the future economic growth of our State which must insure a better balanced distribution of population and industry.

We believe the use of the investment fund for water development is sound if it is recognized as a revolving fund to be replenished by (1) reimbursements from the Federal Government wherever the State has furnished funds which would otherwise be covered by Federal investment and (2) by project revenues from reimbursable contracts.

We commend the Governor's message as a challenge to the people of California to replace narrow sectional differences with confident pioneering leadership. We have confidence the State legislature will recognize and meet the challenge.

CALIFORNIA FARM RESEARCH AND LEGISLATIVE COMMITTEE, SANTA CLARA, CALIF.—
DRAFT RESOLUTION FOR POWER INSTALLATIONS, TRINITY PROJECT

Whereas economic operation of the Trinity River division of the Central Valley project depends upon the construction of its public power features to coincide with the completion of the Trinity Dam; and

Whereas unless a start is made during the coming year on construction of these power features, including purchase of generators, the power features of the project will not be ready to operate when the dam is completed; and

Whereas the President of the United States has failed to include money for needed power features at the dam in his 1960 budget: Now, therefore, do we urge the Congress of the United States to allocate the amounts currently needed, approximately \$2,500,000, for the construction and/or purchase of power features of the project in the Interior Department appropriation bill for fiscal year 1960.

We further commend Senators Thomas Kuchel and Clair Engle, and Congressmen Clement Miller, John Moss, Harold Johnson, John McFall, and Harlan Hagen for their unceasing fight to have provisions for public power features included in the Interior Department budget for the coming fiscal year.

RESOLUTION OF THE BOARD OF SUPERVISORS OF KERN COUNTY, CALIF.

SECTION 1. Whereas:

(a) The continued advancement of the best interest of the State of California and of those areas to be directly served or benefited by development of the Feather River project, the San Luis Dam and Reservoir and related water delivery and other facilities, requires earliest action to construct these works on a basis fair and equitable to all persons and agencies involved; and

(b) Federal legislation is now offered to authorize Federal construction of the San Luis Dam and Reservoir with opportunity for State use of these facilities for the State Feather River project;

SEC. 2. Now, therefore, it is hereby

Resolved by the board of supervisors of the county of Kern, State of California, as follows:

1. Upon the recommendation of the water commission of the county of Kern this board of supervisors urges the inclusion of the following items in the presently offered San Luis legislation now pending before the Congress of the United States, to wit:

(a) Construction to full size for the purpose of providing water to service areas of both the State Feather River project and Federal San Luis unit;

(b) Water service to the State Feather River project service area in accordance with State law and not subject to the restrictions of Federal reclamation law;

(c) An alternative-action date proposal which will assure the State's ability to utilize the San Luis Reservoir for the State project and make both the State

and the Secretary of the Interior party to the Secretary's decision to proceed to construct without a finalized executed agreement;

(d) Permit the State to set the pace of construction if the Federal Government for any reason does not maintain a timely construction schedule;

(e) Retention by the State of title to lands, easements and rights-of-way necessary for construction and operation of San Luis Dam and Reservoir and other related facilities necessary to the Feather River project;

(f) Proper division of responsibility for operation and control of the San Luis unit joint-use facilities, subject to requirements for coordinated operation of the Federal unit, joint-use facilities and the State project.

LOS ANGELES CHAMBER OF COMMERCE,
Los Angeles, March 4, 1959.

HON. THOMAS H. KUCHEL,
Senator from California,
Senate Office Building, Washington, D.C.

DEAR SENATOR KUCHEL: With hearings scheduled shortly, we wish to express our views concerning S. 44 relating to the San Luis project.

There are two features of this bill which, in our opinion, still fail to meet the best interests of California. I think it is generally recognized by now that there should be no question that the San Luis Reservoir and some of the related facilities must be so developed as to serve both the Federal project and the State's Feather River project. While the State program has experienced some delays it is nevertheless underway and the difficulties in getting the necessary finances and other provisions to carry it forward expeditiously have been no greater than those experienced in most other projects of its magnitude. If, therefore, the San Luis facilities are to serve the State there can be no justification for Federal legislation incorporating a cutoff date when the Federal Government would be authorized to go it alone. The only possible result would be to place the State under pressure to meet such contractual terms as might be dictated by the Department of the Interior, at least as far as we can see. If there is any other reason we would welcome knowing just what it is.

It has been our recent understanding that the State department of water resources and the Bureau of Reclamation were working on terms of a contract and that the contract would form the basis of legislation. Apparently these contract negotiations have not made as much progress as anticipated. If this is true it would indicate either one of two procedures.

(1) That both the State department and the Federal Bureau be asked to expedite negotiations and that legislation be withheld pending contract agreement. In this, of course, we do not imply that the Federal Congress would be bound by the terms of the contract, since it would always have the prerogative of writings its own legislation. It would seem, however, that this method of approach would leave little doubt as to both the interests of the Federal Government and the State being protected.

(2) That the Congress enact such legislation as would leave no question as to the responsibility for a proper contract being agreed to prior to construction of the project. Again we wish to emphasize that the State Feather River project is of such importance to a wide area of California and to so many of its citizens and the San Luis Reservoir is so much an integral part of that project that it is unthinkable that the Federal Government would usurp it.

The other question has to do with the scope of application of Federal reclamation laws. It would seem obvious that Federal laws should apply to the San Luis service area and, equally so, that the reclamation laws not apply to the State project. The California water code should be the governing law for the latter. However, strange interpretations have been given to laws in recent times and, particularly so, in attempts to extend the jurisdiction of Federal control of water supplies. Therefore, it is essential that there be no doubt as to the relative jurisdictions in connection with this legislation and that there be no loophole whereby it might be argued that since some of the facilities are to be constructed for joint use Federal reclamation laws therefore apply to the service areas of the State.

Congress is being looked to for protection against Federal domination in State water matters and it would be unfortunate if either knowingly or unwittingly there be enacted legislation which would permit the Federal Government to extend its controls into operations that should be strictly under State jurisdiction.

I can assure you that the people of southern California are alert to this question and will not take kindly to an act that would place our 8 million people in an unfavorable position. I think, too, that I am safe in saying that there are many others in California who are concerned about the principles involved in this question, even though their interests may not be affected directly in this particular instance.

We will appreciate your earnest consideration of our views and would respectfully ask that this letter be made a part of the official hearings report.

Cordially,

J. E. FISHBURN, Jr., *President.*

VALLEY LABOR CITIZEN,
Fresno, Calif., March 9, 1959.

Senator CLINTON ANDERSON,
*Subcommittee on Irrigation and Reclamation,
Senate Office Building, Washington, D.C.*

DEAR SENATOR ANDERSON: Would you please enter the enclosed editorial in the record on the upcoming hearings on the proposed San Luis project.

Thank you

GEORGE BALLIS, *Editor.*

[From the Valley Labor Citizen, Mar. 6, 1959]

BARN BURNING AT SAN LUIS

Last year at this time, the Labor Citizen was claiming that the barn door of antimonopoly regulations was ajar on the proposed San Luis project. We cited chapter and verse of the proposed legislation. Pointed out how the large landowners who dominate the area would be able to evade the so-called 160-acre limitation (actually the 320-acre-plus limitation). How they would capture a lion's share of the taxpayer-created benefits. How they would gain greater and greater domination of our politics and economy as a result of such loosely written water legislation.

In the debate which followed the Citizen's position was supported by Secretary C. J. Haggerty of California Labor Federation; Paul Taylor, advisor to the Department of Interior from 1943 to 1952; Andrew Biemiller, legislative director of AFL-CIO and finally on the floor of the U.S. Senate by Senators Paul Douglas and Wayne Morse.

This year essentially the same bill is up for consideration once again. Senate and House subcommittees will hold hearings within the next 2 weeks. In reading over these new proposals for irrigating the westside of the San Joaquin Valley, we were tempted to rerun, "Barn Door Ajar At San Luis," but have found to our dismay that closing the barn door is not the problem at all. The whole antimonopoly, antispeculation barn is on fire and appears, at this writing, to be a total loss. This was no accidental fire, brothers and sisters. It was arson. Bipartisan arson. Liberal-conservative arson. Engineered by the stubborn, skilled, and rich landowners of the central valleys.

The match was set at Pine Flat by a Republican Secretary of Interior, Fred Seaton, who offered the large landowners a cash plan for buying total control of the irrigation benefits of Pine Flat.

Senator Clair Engle fanned the flames with a 10-year easy payment plan—no increase in rates—while Congressmen B. F. Sisk and Harlan Hagen held off any would-be firefighters by claiming that Pine Flat is not the place to face the so-called 160-acre limitation—even though this regulation was specifically and pointedly included in the bill which authorized the dam.

Engle started a little barn burning of his own with a 50-year, easier-than-ever installment plan to evade regulations, at slightly higher rates. Engle's 50-year plan already has been included in two water bills approved by Congress in recent years, and last August 15, Douglas and Morse were told on the floor of the Senate that the formula would be applied at San Luis. They were told that Southern Pacific Railroad would be able to get a perpetual subsidized water supply for all of its 120,000 giveaway acres by paying higher charges on the water—charges which would not pay off all the subsidies and which, by no stretch of economics, would force a breakup of the SP barony.

Ironic, isn't it? SP was given this land on the promise that it build a railroad over the coast range. This promise was never fulfilled. If the San Luis project

goes through as now projected, the giveaway will be compounded: SP will get a perpetual, unrestricted, subsidized water supply and the value of this land will be enhanced by 1,000 percent.

Among the others who will be unduly enriched by the barn burning at San Luis are Jack O'Neill, Producers Cotton Oil, Russell Giffin, Frank Coit, Standard Oil, Lloyd Harnish, Frank Diener, Anderson-Clayton—all told, about 66 owners, according to figures compiled by the Bureau of Reclamation.

Sounds like special interest legislation to us. And we wonder why Douglas and Morse are the only liberals who object.

STATEMENT OF THE CALIFORNIA LABOR FEDERATION, AFL-CIO

In accordance with the long-established policy of the California Labor Federation, AFL-CIO, I appreciate the opportunity again to support a request for Federal aid for water development in California, specifically upon this occasion for construction of the San Luis project.

The feasibility of the San Luis project and the absolute necessity of its construction have been established beyond all reasonable doubt. We strongly urge its immediate authorization and early construction.

We recognize and support the position that provision should be made in the authorizing legislation for coordination of the Federal project with California water plans, should the State decide to enter the field of water and power development. At the same time, we insist that the Federal San Luis unit be constructed under reclamation law without deviation or evasion, and that the occasion for cooperation with the State shall not be used as a pretext for undermining, or for permitting others to undermine national antiwater monopoly policy. We stand on our position as stated previously when San Luis project bills were under consideration by Congress (see hearings before the Senate Subcommittee on Irrigation and Reclamation, 85th Cong., 2d sess., on S. 1887), and appreciate that some of our earlier specific objections were met in preparing current drafts. We continue to insist, however, that Congress shall maintain present law and policy on San Luis, which S. 44 and H.R. 301 fail to do, and ask that these bills be redrafted to preserve existing law and policy.

There is no need to set up a new policy for cooperation between the Federal Government and a State government. Reclamation law already provides that the basis of cooperation between the Federal Government and other agencies, public and private, corporate and individual, shall be national water policy.

Reclamation law, which we believe should stand unchanged, provides that in the event of cooperation, the excess land provision shall govern all water-using Federal project facilities involved in the cooperative endeavor. The Warren Act of February 21, 1911 (36 Stat. 925, 926) states: "That whenever in carrying out the provisions of the reclamation law, storage or carrying capacity has been or may be provided in excess of the requirements of the lands to be irrigated under any project, the Secretary of Interior * * * is thereby authorized * * * to contract for the impounding, storage, and carriage of water * * * with irrigation systems * * * individuals, corporations, associations, and irrigation districts * * *. Water so impounded, stored, or carried shall not be used otherwise than as prescribed by law as to lands held in private ownership within Government reclamation projects. *Provided further*, That water shall not be furnished from any such reservoir or delivered through any such canal or ditch to any one landowner in excess of an amount sufficient to irrigate one hundred and sixty acres * * *."

We see no reason to make any exception to this law in any respect because the cooperation of the Federal Government proposed in the San Luis bills is with California or some California landowners. Unfortunately, H.R. 301 and S. 44 do propose to sacrifice the public policy inscribed in the Warren Act of 1911. The attention of Members of Congress and citizens could easily be diverted away from the crucial question whether the water benefits from Federal facilities, to the irrelevant inquiry, where is the land located? Hoping we will forget that the limitation relates to water, these bills seek to divert our attention to land. Whether the land to receive water that is stored and carried in Federal reservoirs and canals happens to be situated in a State's service area or not, has nothing to do with the propriety of conforming to, or escaping from public policy.

The issue is one of substance as well as principle. Physical advantages of the proposed integration with the Federal Central Valley project are indispensable,

and all landowners will benefit from integration whether their lands lie within the Federal or the State's service area. Central Valley project facilities will be used to store and to bring water from sources hundreds of miles away, including water that will reach lands in the State's service area.

The financial benefits of integration are great, if not also indispensable to the benefiting landowners. It may be impossible to measure precisely in dollars the advantages to landowners of financial integration of San Luis with the Central Valley project, but a number of California Congressmen have applied, as descriptive terms, to similar benefits for Central Valley landowners the strong words, "unearned" and "unjust" enrichment. (Clair Engle, George P. Miller, John E. Moss, Harland Hagen, B. F. Sisk, and J. J. McFall to Edmund G. "Pat" Brown, Feb. 4, 1957, L.A. 23,043, in the Supreme Court of the State of California, *The Ivanhoe Irrigation District, Plaintiff and Respondent, v. All Parties and Persons, etc., Defendants and Appellants*, petition for rehearing of the appellant, the State of California.)

These six Congressmen estimated that the financial advantages to landowners in the present Central Valley project were of approximately the following order of magnitude: a direct subsidy of \$350 per acre from the Federal Government and an additional subsidy of \$227 per acre from public power revenue; the landowner himself is expected to repay \$123 per acre. (Ibid.) Recognizing that the Federal benefits to landowners in the State service area are somewhat less than in the Federal service area, and some uncertainty as to how closely these estimates fit the proposed San Luis integration, it is clear that the advantages to be conferred by the San Luis project on all landowners, at the hands of Federal taxpayers and California power users, will be substantial.

We see nothing in the facts of the San Luis project to justify relieving excess landholders in whatever service area from the Federal statute controlling "unearned" or "unjust" enrichment. On the contrary, the concentration of landownership in areas that would benefit from the San Luis project appears to be precisely the concentration that persuaded Congress to pass the excess land provision in the first place. Congressman George W. Ray, of New York, for example, seeking to protect the public interest in 1902, opposed all spending of public funds for reclamation. When Federal aid was being debated in the original reclamation bill in 1902, he said:

"* * * and so we find behind this scheme, egging it on, encouraging it, the great railroad interests of the West, who own millions of acres of these arid lands, now useless, and the very moment that we, at the public expense, establish or construct these irrigation works and reservoirs, you will find multiplied by 10, and in some instances by 20, the value of now worthless land owned by those railroad companies, the title to which they obtained through grants from the Government for building great transcontinental railroad lines" (35 Congressional Record 6685).

The original objections to public aid for private benefit, of course, were not grounded on the particular occupation of large landowners but on the excessive concentration of "unearned" benefits and water resources if size were not made a ground for limitation.

"Acceptability" is relative. On August 15, 1958, one Senator said on the floor of the Senate that he thought one very large landholding corporation in San Luis project area, although opposed to the excess land provision publicly, nevertheless "will be compelled to participate through the force of public opinion." Another Senator added immediately, "In my judgment, the Southern Pacific will reverse its decision, and will participate in the project, and will subdivide its land" (Congressional Record, Aug. 15, 1958, p. 16301).

Former Senator Downey predicted in 1947 that the Di Giorgio Fruit Corp. would not accept the excess land provision (They Would Rule the Valley, p. 180). But when the electors of a dozen water districts along the Friant-Kern Canal voted 10 to 1, on the average, to accept water under reclamation law, this corporation complied, too (California Farmer, May 17, 1952, p. 533).

We believe that large landowners in California, generally, when they fully realize the public purposes of the excess land provision, and when they believe that neither Congress, the courts, nor unsympathetic administrators will grant them escape from the law, will "accept" the law in good spirit and subdivide their lands.

The Supreme Court of the United States recently, in June 1958, has upheld the excess land provision against judicial attack. The Attorney General of the United States even more recently, on December 15, 1958, has upheld the

law on Kings and Kern River projects in the immediate vicinity of the San Luis service area against unsympathetic administrators.

We urge Congress, likewise, to stand firmly now for historic public policy, rather than offer a partial exemption to excess landowners at San Luis, and stir hopes of more laxity elsewhere.

The present is no time for Congress to yield, just when the executive and judicial branches of Government are standing firm, when the electors in Central Valley, speaking clearly their acceptance of reclamation law, and when leading landowning corporations are moving in the direction of "acceptance."

SAN FRANCISCO, CALIF., March 23, 1959.

Senator C. P. ANDERSON,
Chairman, Senate Irrigation and Reclamation Subcommittee,
Senate Office Building, Washington, D.C.:

You will appreciate our difficulty 3,000 miles from Washington in keeping informed of every latest move to undermine antimonopoly and antispeculation law in our Central Valley Project. On the assumption that a move has been or will be made before your committee to replace S. 44 by something worse as in the House H.R. 5687 now seeks to replace H.R. 301 the latter being identical to S. 44, I respectfully urge you to consider insofar as it is applicable to your deliberations and to print in your San Luis Central Valley project hearings this telegram of protest we have just sent to Congressman Wayne Aspinall, chairman, House Irrigation and Reclamation Subcommittee, the text of which reads as follows:

"Have just learned of introduction of San Luis bill H.R. 5687 on March 13. Emphatically protest this bill especially section 6 which explicitly subverts Warren Act of 1911 by proposing to substitute a 'location of land' principle for the present 'beneficial use of public reservoirs and canals' principle, the latter is sound while the former illogical, irrelevant, diversionary, and subversive to policy. California Labor Federation, AFL-CIO oppose this effort to destroy national law and water policy governing Central Valley project and urges the 86th Congress to do as well as the 78th and 80th Congresses by striking down H.R. 5687. Please print this wire in the San Luis Central Valley project hearings."

C. J. HAGGERTY,
Secretary-Treasurer, California Labor Federation, AFL-CIO.

BERKELEY, CALIF., March 19, 1959.

Senator CLINTON P. ANDERSON,
Chairman, Senate Irrigation and Reclamation Subcommittee,
Senate Office Building, Washington, D.C.

DEAR SENATOR ANDERSON: Last Sunday I wired you as follows:

"Am forwarding promptly a statement opposing destruction of Warren Reclamation Act of 1911 as proposed in San Luis project bill, S. 44, and favoring Federal construction of entire project. Please hold record open briefly to permit statement's inclusion in printed hearings. Regret cannot come to Washington to appear personally."

When I testified before you last May, you observed, or inquired of me:

"I do not know that there is too much pressure to get us to change anything with reference to the Central Valley of California. * * * Is there anything that changes the 160-acre limitation whatever by the language of this bill? (San Luis, S. 1887, 85th Cong.) * * * You understand that a person who is not a lawyer, and I am not a lawyer, has a great deal of difficulty following all these things. I try my best to find what is in it that strikes down the limitation. I cannot find it.

"If there is a loophole that is not advisable and has not been advisable to any members of the staff, we would like to have it pointed out.

"I can assure you, in addition to that, not only would we like to have it pointed out but I would like to help make it effective so that it is completely applicable to this project." (Hearings before Senate Subcommittee on Irrigation and Reclamation, 85th Cong., 2d sess., on S. 1425, S. 2541, and S. 3448, pp. 154, 158, 159.)

I have specified in the attached memorandum how S. 44 (San Luis unit, CVP, 86th Cong.) damages the 160-acre limitation in Central Valley of California. S. 44 proposes to give access to CVP facilities and benefits to waters destined for a State's service area on terms that are denied by the existing 160-acre statute (36 Stat. 925, 926).

Like you, I am not a lawyer. I may have missed other ways in which S. 44 undermines reclamation law; I might even be in error in my anxiety, although I do not think so, and find myself confirmed in my opinion by the author of a San Luis bill in the House (H.R. 301) identical with S. 44. However, you may wish to ask water law specialists in the Department of the Interior whether I have overstated or understated the havoc that S. 44 works in the application of the 160-acre limitation to Central Valley waters. I would be very happy to have the legislative history of S. 44 record a considered opinion by competent Government water law specialists that S. 44 covers all waters and areas in the proposed Federal-State San Luis project and in the Central Valley project. I would be prepared to admit error if my worries are shown to be without foundation.

The 78th and 80th Congresses preserved and strengthened the historic excess land provision in Central Valley. I hope you will insist on revision of S. 44 now, so as to preserve it intact.

Please print this letter and attached statement in the record of hearings on the bill.

Sincerely yours,

PAUL S. TAYLOR.

STATEMENT OF PAUL S. TAYLOR, BERKELEY, CALIF., ON FEDERAL SAN LUIS PROJECT BILLS, H.R. 301 AND S. 44, MARCH 1959

I favor construction of the entire San Luis project (California), under Federal reclamation law, without alteration, including structures to bring water to both Federal and State "service areas". If Congress is unprepared to undertake this, then I recommend that Federal CVP facilities be made available for State use only under reclamation law, and that the San Luis bills be revised to deny any exemption from the customary requirements of national policy.

Cooperation between the Federal Government and the State of California presents attractive possibilities, but offers no ground whatsoever for destroying public policy. Examination of the San Luis bills now before Congress discloses that their effect is destructive, as will be described below. They take their place therefore, unless revised, in a series of great but previously unsuccessful efforts to persuade Congress that a public policy—controlling water monopoly and speculation—that has been "good" for the Nation since 1902, is not "good" in Central Valley, Calif., now.

The 78th and 80th Congresses, after hearings and debates of extraordinary length, refused to make Central Valley project an exception to Theodore Roosevelt's famous excess land provision of reclamation law, that water shall not be furnished to more than 160 acres of land in single ownership. (Hearings before Senate commerce subcommittee on H.R. 3961, 78th Cong., 2d sess.; hearings before Senate public lands subcommittee on S. Res. 295, 78th Cong. 2d sess.; subcommittee of U.S. Senate Military Affairs Committee hearing on Central Valley water project held at room 276, U.S. Court House and Post Office Building, San Francisco, Calif., on Friday, April 7, 1944 (mimeo., U.S. Bureau of Reclamation); hearings before Senate public lands subcommittee on S. 912, 80th Cong., 1st sess.). Former Congressman Alfred J. Elliott and former Senator Downey led these initial attempts to make Central Valley waters an exception to national policy; Senator Knowland joined Senator Downey in the second attack launched in the 80th Congress. After full consideration of the issue, Congress not only refused to change national law in response to pressures from large land-owners in the Central Valley, but extended the protections of the excess land provision, in section 8 of the Flood Control Act of 1944, to make it cover also the waters of the Kings, Kern, Kaweah and Tule Rivers (in Central Valley), on which the Army engineers were authorized to construct flood control projects. I see no reason why Congress should wish to recede from this position now.

The San Luis project bills move toward accomplishing by indirection what the 78th and 80th Congresses refused to permit. "Indirection" needs explanation. The bills say: "The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the San Luis unit service area." (Sec. 3, f.) Forbidding "re-

striction" is intended, doubtless, to mean that Congress forbids the Federal Government to limit water deliveries to 160 acres in single ownership in the so-called State's service area.

In plain language, this proposes to give an exemption from the excess-land limitation to some Central Valley waters that Congress has refused steadfastly to give to any other Central Valley waters. Why there should be two different rules governing waters using Central Valley project facilities is not clear.

Until now, Congress has been explicit that all waters benefiting from use of reclamation facilities must observe public policy. The Warren Act of February 21, 1911, prescribes for cooperation with the Federal Government, as do the San Luis bills, and insists:

"That water shall not be furnished from any such [reclamation] reservoir or delivered through any such canal or ditch to any one landowner in excess of an amount sufficient to irrigate one hundred and sixty acres" (36 Stat. 926).

This is the specific reclamation statute that H.R. 301 and S. 44 seek to fracture.

These bills bring San Luis waters under the Warren Act by "integration" of the San Luis with the Central Valley project, i.e., they are permitted to share in the reservoir and canal facilities of CVP. Then they exempt from the Warren Act the portion of the waters that flow outside the Federal service area. In other words, if the water using CVP reservoirs and canals finally is distributed on one side of a fence (Federal service area), the excess land provision applies; if finally distributed on the other side of the fence (called State's service area), it does not. This doctrine is new, and destructive of reclamation law.

The implicit reasoning seems to run this way:

Let X equal the Federal Government; let Y equal the State of California; and let Z equal the owners of excess lands in the State service area. If Y is willing to pay the costs of the last stages of delivering water to lands in the State's service area, then X will exempt Z from the excess-land provision. The advantages to X and Y of surrendering public policy are not evident; the advantages to Z (owners of excess lands) are clearer.

The proposal appears to be confused in logic and deficient in moral justification.

Six California Congressmen have described who pays for reclamation in Central Valley project, and about how much they pay per acre:

"The moral basis of the 160-acre limitation is to prevent unjust enrichment resulting from the subsidies to irrigation provided by interest-free Federal money and public power revenues. Congress, in our opinion, will not permit the unearned enrichment of large landowners at the expense of the Federal treasury which can occur without an acreage limitation.

"The capital investment to put water on land under the Central Valley project averages \$350 per acre. If an irrigator owns 1,000 acres, the capital investment to serve his land is approximately \$350,000. This money is interest-free and the interest cost to the Federal Government over the pay-out period roughly equals the capital investment. In other words, the interest on \$350,000 over a 50-year period is roughly \$350,000. This is a direct subsidy to the irrigator. Using the percentages on repayment referred to in Chief Justice Gibson's dissenting opinion, the irrigator will pay back approximately \$123,000. The balance of the capital investment will be paid by public power revenues. This amounts to \$227,000. Thus, the total subsidy to this 1,000-acre irrigator adds up to approximately \$577,000." (Clair Engle, George P. Miller, John E. Moss, Harlan Hagen, B. F. Sisk, J. J. McFall to Edmund G. Brown, L. A. No. 23,043, in the Supreme Court of the State of California, The Ivanhoe Irrigation District, Plaintiff and Respondent, vs. all Parties and Persons, etc., Defendants and Appellants, Petition for Rehearing of the Appellant, the State of California.)

Besides giving landowners in the State's service area a share in the benefits of Federal CVP, the San Luis bills propose to exempt excess landowners in the very portion of Central Valley where the need for an excess-land provision is the greatest, because concentration of land ownership there is the most extreme. The statistics of land ownership in this area were placed before the 80th Congress, which left the proposal for an exemption to die in committee, regarding it, doubtless, as an unwarranted "giveaway." (Hearings on S. 912, op. cit., p. 864.)

I respectfully urge Congress to revise H.R. 301 and S. 44 carefully, so as to deny any exemption from the Warren Reclamation Act to Central Valley or

San Luis waters and to close any loopholes that might permit evasion of the Nation's historic water policy of limiting special favors in order to confer more widespread benefits.

LAND DEPARTMENT,
SOUTHERN PACIFIC Co.,
San Francisco, Calif., March 23, 1959.

Hon. CLINTON P. ANDERSON,
*Chairman, Subcommittee on Irrigation and Reclamation,
Senate Office Building, Washington, D.C.*

DEAR MR. ANDERSON: Further reference is made to previous correspondence concerning Southern Pacific Co. and Southern Pacific Land Co. agricultural properties within the proposed San Luis unit of the Central Valley project. Specific mention is made of Senate bill S. 44 currently under consideration.

We have been advised that your committee held hearings on S. 44 on March 16, 1959, wherein you indicated that previously submitted testimony and material on the general subject would be included within the current consideration of the bill. Therefore, Southern Pacific was not formally represented at the hearing nor did we furnish any further statement.

It is now our desire to reaffirm our previous position that our agricultural properties are not for sale. They constitute an important natural resource asset of our organization, and we need them to maintain our diversified position in the economy of the Western States.

Please be advised that Southern Pacific is anxious to see both Federal and State of California water plans progress. We feel that the cooperative position in the San Luis legislation is excellent and do not wish to impede progress thereon. Therefore, we reaffirm our request that owners of land in excess of 160 acres be allowed the alternative of paying interest on the Federal irrigation investment and thus be allowed to retain their land holdings and obtain water for them.

A Southern Pacific representative appeared before the House of Representatives subcommittee on the same subject, and it is planned that specific legislative language embodying our proposal will be furnished to said House committee.

Very truly yours,

L. FRANDSEN, *Manager.*

FRESNO, CALIF., *March 16, 1959.*

SENATE SUBCOMMITTEE ON RECLAMATION AND IRRIGATION:

Needs of farmers and communities in this area make speedy enactment of Senate bill S. 44 and H.R. 301 imperative. Heavy unemployment in this area needs relief this project could bring.

JESSE BERNARD,
Business Representative, Labors Local 294.

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LEGISLATIVE HISTORY

Public Law 86-488
S. 44

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Index and summary of S. 44	.1
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INDEX AND SUMMARY OF S. 44

- Jan. 9, 1959 Sens. Kuchel and Engle introduced and Sen. Kuchel discussed S. 44 which was referred to the Senate Interior and Insular Affairs Committee. Print of bill as introduced and remarks of Sen. Kuchel.
- Mar. 23, 1959 Senate subcommittee voted to report S. 44 to the full committee.
- Mar. 24, 1959 Senate committee ordered reported (but did not actually report) S. 44, with amendment.
- April 8, 1959 Senate committee reported S. 44 with amendments. S. Report No. 154. Print of bill and report.
- April 10, 1959 Senate passed over S. 44 at the request of Sen. Morton.
- April 29, 1959 Senate passed over S. 44 at the request of Sen. Keating.
- May 5, 1959 Senate began debate on S. 44.
- May 7, 1959 Senate continued debate on S. 44.
- May 11, 1959 Senate continued debate on S. 44.
- May 12, 1959 Senate passed S. 44 with amendments.
- May 14, 1959 S. 44 was referred to the House Interior and Insular Affairs Committee. Print of bill as referred.
- H. R. 7155 was introduced by Rep. Sisk and was referred to the House Interior and Insular Affairs Committee. Print of bill as introduced.
- May 27, 1959 House committee reported H. R. 7155 with amendment. H. Report No. 399. Print of bill and report.
- May 17, 1960 House began debate on H. R. 7155.
- May 18, 1960 House passed S. 44 with amendments (substituted language of H. R. 7155).
- H. R. 7155 laid on the table due to the passage of S. 44.

INDEX AND SUMMARY OF S. 44, continued:

May 19, 1960 Senate concurred in House amendments to S. 44.

June 3, 1960 Approved: Public Law 86-488.

Hearing: Senate Interior and Insular Affairs
Committee on S. 44; March 16, 1959.

DIGEST OF PUBLIC LAW 88-488

CENTRAL VALLEY PROJECT, CALIFORNIA. Authorizes the Secretary of the Interior to construct the San Luis unit of the Central Valley reclamation project, California, and to enter into an agreement with the State of California in order that there may be joint Federal-State use of the San Luis Reservoir site. The unit would provide irrigation of about 480,000 acres of land in the San Joaquin Valley, as well as important benefits to recreation and to the preservation and propagation of fish and wildlife.

86TH CONGRESS
1ST SESSION

S. 44

IN THE SENATE OF THE UNITED STATES

JANUARY 9 (legislative day, JANUARY 8), 1959

Mr. KUCHEL (for himself and Mr. ENGLE) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

A BILL

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the principal purpose of furnishing water for the
4 irrigation of approximately five hundred thousand acres of
5 land in Merced, Fresno, and Kings Counties, California, and
6 as incidents thereto of furnishing water for municipal and
7 domestic use and providing recreation and fish and wildlife
8 benefits, the Secretary of the Interior (hereinafter referred

1 to as the Secretary) is authorized to construct, operate, and
2 maintain the San Luis unit as an integral part of the Central
3 Valley project. The principal engineering features of said
4 unit shall be a dam and reservoir at or near the San Luis site,
5 a forebay and afterbay, the San Luis Canal, the Pleasant
6 Valley Canal, and necessary pumping plants, distribution
7 systems, drains, channels, levees, flood works, and related
8 facilities. The works (hereinafter referred to as joint-use
9 facilities) for joint use with the State of California (herein-
10 after referred to as the State) shall be the dam and reservoir
11 at or near the San Luis site, forebay and afterbay, pumping
12 plants, and the San Luis Canal. Those joint-use facilities
13 may be constructed to permit future expansion, and upon
14 agreement by the State or some other public agency to
15 equitably share the costs as later provided in this Act, shall
16 either be so constructed or shall be constructed initially to the
17 capacities necessary to serve both the San Luis unit service
18 area and the State's service area. In constructing, operating,
19 and maintaining the San Luis unit, the Secretary shall be
20 governed by the Federal reclamation laws (Act of June 17,
21 1902, 32 Stat. 388, and Acts amendatory thereof or supple-
22 mentary thereto) except so far as the provisions thereof are
23 inconsistent with this Act. Construction of the San Luis unit
24 shall not be commenced until the Secretary has (1) secured,
25 or has satisfactory assurance of his ability to secure, all rights

1 to the use of water which are necessary to carry out the
2 purposes of the unit and the terms and conditions of this
3 Act, and (2) received satisfactory assurance from the State
4 of California that it will make provision for a master drainage
5 outlet and disposal channel for the San Joaquin Valley, as
6 generally outlined in the California water plan, Bulletin Num-
7 bered 3, of the California Department of Water Resources,
8 which will adequately serve, by connection therewith, the
9 drainage system for the San Luis unit or has otherwise made
10 provision, in accordance with section 4 of this Act, for meet-
11 ing the drainage requirements of the San Luis unit.

12 SEC. 2. The Secretary is authorized, on behalf of the
13 United States, to negotiate and enter into an agreement
14 with the State of California providing for coordinated opera-
15 tion of the San Luis unit, including the joint-use facilities,
16 in order that the State may, without cost to the United States,
17 deliver water in service areas outside the San Luis service
18 area as described in the report of the Department of the
19 Interior, entitled "San Luis Unit, Ventral Valley Project,"
20 dated December 17, 1956. The Secretary shall not com-
21 mence construction of the San Luis unit, except for the
22 preparation of designs and specifications and other prelimi-
23 nary work, until the execution of such an agreement between
24 the United States and the State, but if such an agreement
25 has not been executed by July 1, 1960, and if, after con-

1 sultation with the Governor of the State, the Secretary de-
2 termines that the prospects of reaching accord on the terms
3 thereof are not reasonably firm, he may proceed to construct
4 and operate the San Luis unit in accordance with section 1
5 of this Act: *Provided*, That, if the Secretary so determines,
6 he shall report thereon to the Congress and shall not com-
7 mence construction for ninety calendar days from the date
8 of his report (which ninety days, however, shall not include
9 days on which either the House of Representatives or the
10 Senate is not in session because of an adjournment of more
11 than three days). In considering the prospects of reaching
12 accord on the terms of the agreement the Secretary shall
13 give substantial weight to any relevant affirmative action
14 theretofore taken by the State, including the enactment of
15 State legislation authorizing the State to acquire and convey
16 to the United States title to lands to be used for the San Luis
17 unit or assistance given by it in financing Federal design
18 and construction of the unit. The authority conferred upon
19 the Secretary by the first sentence of this section shall not,
20 except as is otherwise provided in this section, be construed
21 as a limitation upon the exercise by him of the authority
22 conferred in section 1 of this Act, but if the State shall make
23 available to the Secretary sufficient funds to pay the addi-
24 tional cost of designing and constructing the joint-use facili-
25 ties so as to permit enlargement, it shall have an irrevocable

1 right to enlarge or modify such facilities at any time in the
2 future, and a perpetual right to the use of such additional
3 capacity: *Provided*, That the performance of such work by
4 the State, after approval of its plans by the Secretary, shall
5 be so carried on as not to interfere with the operation of the
6 project for the purposes set forth in section 1 of this Act:
7 *And provided further*, That this right may be relinquished
8 by the State at any time at its option.

9 SEC. 3. The agreement between the United States and
10 the State referred to in section 2 of this Act shall provide,
11 among other things, that—

12 (a) the joint use facilities to be constructed by the
13 Secretary shall be so designed and constructed to such
14 capacities and in such manner as to permit either (i)
15 immediate integration and coordinated operation with
16 the State's water projects by providing, among other
17 things, a capacity in San Luis Reservoir of approxi-
18 mately two million one hundred thousand acre-feet and
19 corresponding capacities in the other joint-use facilities
20 or (ii) such subsequent enlargement or other modifica-
21 tion as may be required for integration and coordinated
22 operation therewith;

23 (b) the State shall make available to the Secretary
24 during the construction period sufficient funds to pay an

1 appropriate share of the construction costs of any facili-
2 ties designed and constructed as provided in paragraph
3 (a) above. The State contribution shall be made in
4 annual installments, each of which bears approximately
5 the same ratio to total expenditures during that year as
6 the total of the State's share bears to the total cost of the
7 facilities; the State may make advances to the United
8 States in order to maintain a timely construction sched-
9 ule of the joint use facilities and the works of the San
10 Luis unit to be used by the State and the United States;

11 (c) the State may at any time after approval of its
12 plans by the Secretary and at its own expense enlarge or
13 modify San Luis Dam and Reservoir and other facilities
14 to be used jointly by the State and the United States, but
15 the performance of such work shall be so carried on as
16 not to interfere with the operation of the San Luis unit
17 for the purposes set forth in section 1 of this Act;

18 (d) the United States and the State shall each pay
19 annually an appropriate share of the operation, mainte-
20 nance and replacement costs of the joint use facilities;

21 (e) promptly after execution of this agreement be-
22 tween the Secretary and the State, and for the purpose
23 of said agreement, the State shall convey to the United
24 States title to any lands, easements, and rights-of-way
25 which it then owns and which are required for the joint

1 use facilities. The State shall be given credit for the
2 costs of these lands, easements, and rights-of-way toward
3 its share of the construction cost of the joint use facili-
4 ties. The State shall likewise be given credit for any
5 funds advanced by it to the Secretary for preparation of
6 designs and specifications or for any other work in con-
7 nection with the joint use facilities;

8 (f) the rights to the use of capacities of the joint
9 use facilities of the San Luis unit shall be allocated to
10 the United States and the State, respectively, in such
11 manner as may be mutually agreed upon. The United
12 States shall not be restricted in the exercise of its right
13 so allocated, which shall be sufficient to carry out the
14 purposes of section 1 of this Act and which shall extend
15 throughout the repayment period and so long thereafter
16 as title to the works remains in the United States. The
17 State shall not be restricted in the exercise of its allo-
18 cated right to the use of the capacities of the joint use
19 facilities for water service outside the San Luis unit
20 service area.

21 (g) the Secretary may turn over to the State the
22 care, operation, and maintenance of any works of the
23 San Luis unit which are used jointly by the United
24 States and the State at such time and under such con-

1 nonreturnable and nonreimbursable under the Federal recla-
2 mation laws.

3 SEC. 6. There is hereby authorized to be appropriated
4 for construction of the works of the San Luis unit, including
5 joint use facilities, authorized by this Act, other than dis-
6 tribution systems and drains, the sum of \$290,430,000, plus
7 such additional amount, if any, as may be required by reason
8 of changes in costs of construction of the types involved in
9 the San Luis unit as shown by engineering indexes. There
10 are also authorized to be appropriated, in addition thereto,
11 such amounts as are required (a) for construction of such
12 distribution systems and drains as are not constructed by
13 local interests, and (b) for operation and maintenance of
14 the unit. All moneys received by the Secretary from the
15 State under this Act shall be covered into the same accounts
16 as moneys appropriated hereunder and shall be available,
17 without further appropriation, to carry out the purposes of
18 this Act.

A BILL

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

By Mr. KUCHEL and Mr. ENGLE

JANUARY 9 (legislative day, JANUARY 8), 1959
Read twice and referred to the Committee on Interior
and Insular Affairs

Commonwealth of Puerto Rico, at such time, in such manner, and covering such subject matter as the Secretary of State may prescribe. Students shall be appointed in the order of their merit as established by such examination.

SEC. 10. The students of the U.S. Foreign Service Academy shall receive the same pay and allowances as are received by cadets at West Point.

SEC. 11. The course of instruction and training for students at the Academy shall be prescribed by the Secretary of State, and shall be the equivalent of the curriculum prescribed by accredited colleges and universities as a prerequisite to the granting of the degree of bachelor of arts. In prescribing such course of instruction and training, the Secretary of State shall provide that special emphasis be placed on the study of the history, culture, customs, folklore, and language or languages of the nations in which cadets may serve and provide for field studies in such nations. The Academy may arrange to assign temporarily selected students to the Air, Military, and Naval Academies of the United States for instruction in military observation. Upon satisfactory completion of the prescribed course of instruction and training, students shall be granted the degree of bachelor of arts.

SEC. 12. Each student selected for admission to the Academy shall sign an agreement that, unless sooner separated, he will—

(1) Complete the course of instruction at the Academy; and

(2) Accept an appointment and service, as an officer or employee of the United States in any position for which he is qualified by reason of his special training at the Academy, for at least the 3 years immediately following the granting of his degree from the Academy.

SEC. 13. (a) The course of study at the Academy shall, during each year of its operation, be organized as follows:

(1) The months of September to May, inclusive, shall be devoted to classroom instruction of students at the Academy;

(2) The period from June 1 to June 30, inclusive, shall be devoted to annual leave for all students;

(3) The months of July and August shall be devoted to practical field training for students at the Academy.

(b) Such field training shall consist of assigning students for service positions under appropriate departments of the government, whether within or outside the United States, by a faculty board on field training, with the approval of the Secretary of State.

SEC. 14. (a) Each graduate of the Academy shall be available for appointment as an officer or employee of the United States, in any position for which he is qualified by reason of his special training at the Academy, in accordance with the following priorities:

- (1) The Department of State;
- (2) The Department of Commerce;
- (3) The Department of Agriculture;
- (4) The Department of the Treasury;
- (5) The Department of Health, Education, and Welfare; and
- (6) Any other department, agency, or instrumentality of the United States.

(b) The Secretary of State may, notwithstanding any provision of the Foreign Service Act of 1946, appoint a graduate of the Academy as an officer in the Foreign Service of the United States.

SEC. 15. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

(b) The U.S. Foreign Service Academy shall have power to acquire and hold real and personal property and may receive and accept gifts, donations, and trusts.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my friend from Tennessee.

Mr. KEFAUVER. I congratulate the Senator from Missouri upon the introduction of this measure. I think it is one of the most important proposals for peace and for our proper representation abroad which will be before Congress. I certainly hope the bill will be passed at an early date.

Mr. SYMINGTON. I thank the distinguished Senator from Tennessee for his kind statement.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. YARBOROUGH. I commend the distinguished Senator from Missouri upon the introduction of his bill. It was my privilege in the past session to be a cosponsor of a similar bill introduced by the distinguished Senator from Montana [Mr. MANSFIELD]. I think the Senator from Missouri by introducing the bill this early in the session and urging its immediate consideration has shown leadership in this important matter.

Mr. SYMINGTON. I thank the Senator from Texas for his remarks. I have discussed this matter with the distinguished junior Senator from Montana [Mr. MANSFIELD]. There is a difference between the bill which I have introduced and the bill which the Senator from Montana introduced in the last session, and which was cosponsored by the Senator from Texas. Their bill provided for graduate study. I believe it is important that we have an undergraduate academy for the training of foreign service personnel comparable to our military academies.

CONSTRUCTION OF SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIF.

Mr. KUCHEL. Mr. President, the great and constantly growing State of California continues to grapple with tremendous problems which have a decided national as well as local interest. Foremost among these is our seemingly perpetual question of making most effective use of natural resources and the pressing matter of meeting an ever-mounting demand for water.

On behalf of my colleague, the junior Senator from California [Mr. ENGLE], and myself, I am introducing a new version of a bill which has been before the Congress for approximately 4 years, a bill to authorize construction of the San Luis project on the west side of the San Joaquin Valley.

This bill is a refinement of the legislation which last year was favorably reported by our Interior and Insular Affairs Committee, after two sets of hearings and considerable negotiation between Federal and State authorities, and which shortly before final adjournment was passed by the Senate.

From time to time during my service in this body, I have had occasion, Mr. President, to discuss the importance of Fed-

eral assistance to California in the fields of flood control and water conservation. In view of the fact that we now have a substantial number of new colleagues, I feel it is incumbent upon me to mention the reason why this particular San Luis bill is regarded as deserving of very high priority by my distinguished colleague and myself.

In introducing this measure, I wish to point out to the Senate that I have the privilege of joining in presenting legislation on water matters with an experienced attorney and legislator who long has been concerned with natural resources. The Senate will have the benefit of the knowledge gained by my colleague during his years of service in the other body where he ultimately became chairman of the important Committee on Interior and Insular Affairs.

It has been my own policy never to propose a water project in California for Federal construction until the responsible officials of my State have formally recommended Federal participation in efforts to assure the maximum utilization and conservation of our precious water resources. This is particularly true in the case of the measure I am introducing today.

The San Luis bill, which would authorize an integrated project to be jointly financed and operated by the Bureau of Reclamation and the State of California, has been drafted in consultation with both Federal and State agencies. It is definitely in response to the desires of the State department of water resources and will mean a working partnership to supply a variety of needs.

California has unique water problems. For a large part of our State; the vagaries of nature subject our people to literal feast-or-famine cycles. In the current rainy season now well advanced, most of California is becoming uneasy about the smallest amount of precipitation in decades, even in generations. Yet many of my distinguished colleagues will recall that only 3 years ago, at the opening of the 2d session of the 84th Congress, I was taking an active part in proposing emergency measures for flood relief because of the devastation suffered over extensive sections of central and northern California from unseasonable storms.

The San Luis project would be another vital step toward more efficient and more orderly utilization of water. It would supply water for nearly 500,000 acres of agricultural land in an area where farming necessarily has been reduced and curtailed because of lowering water tables. It would provide storage and regulating facilities for a gigantic inter-basin exchange by which the State of California intends to move surplus Feather River water from northern California to the water-hungry and thickly settled Los Angeles-San Diego area.

The State of California is embarked on a plan of self-help in this field. However, it definitely needs the cooperation and assistance of the Federal Government. This bill will provide for the maximum efficiency and greatest return

on a substantial investment by allowing the Federal and the State agencies to join hands in building a feasible and an urgent project.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, introduced by Mr. KUCHEL (for himself and Mr. ENGLE), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

EXCLUSION OF CERTAIN WAGES FROM WITHHOLDING TAX

Mr. PROXMIRE. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 to provide that wages paid by States and political subdivisions to individuals employed on relief projects shall not be subject to the withholding tax.

There is clear justification and important need for this improvement in our Federal tax policies as they concern payments by welfare departments to persons employed on work relief projects.

The maximum amount which can be paid on a work relief project is limited to the amount determined by welfare agencies as necessary to meet the minimum needs of the beneficiary and his dependents for food, clothing, shelter, and personal needs.

Obviously, if Federal income taxes are withheld from payments determined at the level of minimum needs, the take-home pay remaining will not be sufficient to meet those needs. Therefore, it becomes necessary for the local government to increase the size of the payment sufficiently to cover the income tax withheld. In effect, the local government is required to pay the individual income tax in addition to providing support for the dependent person and his family.

Under the existing situation, local governments which provide work relief instead of direct relief payments are penalized.

This problem is a particularly serious one for Milwaukee County. County officials estimate that passage of this bill would result in savings to the county of more than \$35,000 per year.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 45) to amend the Internal Revenue Code of 1954 to provide that wages paid by States and political subdivisions to individuals employed on relief projects shall not be subject to the withholding tax, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Finance.

STATEHOOD FOR HAWAII

Mr. MURRAY. Mr. President, I send to the desk for appropriate reference a bill to admit the populous and prosper-

ous American Territory of Hawaii into the Union as a State of the United States. Appropriately, I have requested that the symbolic number S. 50 be assigned to this measure.

Joining me as sponsors of this historic legislation are more than 50 distinguished Senators from both sides of the aisle and from all sections of the United States. This number of cosponsors, plus those other Senators who have assured me that, although for one reason or another they did not wish to cosponsor the bill, they nevertheless would support the measure and vote for it, means that a clear and undisputed majority of the Members of the Senate of the 86th Congress believe that Hawaii should have statehood this session of this Congress. This conviction is also, I am certain, that of the great majority of the American people.

Mr. President, I ask unanimous consent that the names of the distinguished Senators who are cosponsors to the Hawaii statehood bill be printed at this point in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

Mr. ALLOTT, Mr. ANDERSON, Mr. BARTLETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. CANNON, Mr. CARROLL, Mr. CASE of South Dakota, Mr. CASE of New Jersey, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. DIRKSEN, Mr. DOUGLAS, Mr. ENGLE, Mr. FREAR, Mr. GOLDWATER, Mr. GREEN, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HENNINGSON, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. KENNEDY, Mr. KUCHEL, Mr. LONG, Mr. MCCARTHY, Mr. MCGEE, Mr. MCNAMARA, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MORSE, Mr. MORTON, Mr. MOSS, Mr. MUSKIE, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SALTONSTALL, Mr. SCOTT, Mrs. SMITH, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, Mr. YOUNG of North Dakota.

Mr. MURRAY. Mr. President, it is significant that this list of sponsors includes so many able Senators from both parties and from all parts of the country. This year, as in past years, Hawaii statehood is bipartisan and a nonpartisan cause. It has had, and has now, the support of President Eisenhower, as it had that of Presidents Truman and Roosevelt.

Mr. President, proposed legislation on statehood for Hawaii has been before the Congress of the United States, off and on, for four decades, beginning with H.R. 15865 in 1919, in the 65th Congress. Hearings and investigations of the issue by Congress began in 1935.

EIGHTEEN CONGRESSIONAL HEARINGS HELD

Since that time no less than 18 full-scale hearings and investigations have been conducted by committees of Congress on the issue of statehood for Hawaii, both in the Territory itself and here in the National Capital. Few, indeed, are the issues that come before us that have been as thoroughly and as well explored and considered as has statehood for Hawaii.

The measure the majority of Senators, including myself, are sponsoring today is identical with S. 50, as reported by the Committee on Interior and Insular Affairs in the 85th Congress. That bill, in turn, was similar in its substantive provi-

sions to the Hawaii statehood bill in the 84th Congress, which was based on the statehood bill that was debated for a full month in this body in 1954, and was finally approved by a substantial majority.

I cite this long and impressive legislative history, Mr. President, only to emphasize that the facts and issues concerning statehood for Hawaii already are well known. A most complete record is before this body.

OPPOSERS TO HAVE OPPORTUNITY TO BE HEARD

I cannot believe that any public purpose would be served by long and protracted public hearings again this year. However, I do urge that hearings be held, but that they be limited, as far as possible, to any new evidence that may be pertinent and to the reception of the views of those in opposition to Hawaiian statehood. It is most important that the hearings be held at an early date in this 1st session of the 86th Congress.

Mr. President, I have been a student of statehood for Hawaii for many years, and recently I made a personal inspection trip to the Territory, on behalf of the committee. I visited all of the islands of the Territory, and talked with persons in all walks of life and of various political persuasions.

From my long study and my personal findings, I am convinced that the 600,000 American citizens of Hawaii meet each and every one of our historic tests of readiness for statehood and fitness for it. The overwhelming majority of the people want statehood, and are ready, willing and able to support it.

STATEHOOD IN BEST INTERESTS OF NATION

I am equally convinced that statehood for Hawaii would be in the best interests of the Nation as a whole, as well as in the best interests of the more than a half million Americans of Hawaii. The Territory is blessed with great riches of soil, climate, and people. It has the highest productivity in the entire world for sugar and pineapples. Its climate, scenic beauty, accessibility, and facilities make it one of the foremost recreation spots of the world. Its people are industrious, well-educated in one of the top-ranking school systems under the American flag, and imbued with an unflagging zeal and patriotism for America, as shown by their record on the battlefields of Europe and Korea.

The admission of Hawaii would also constitute a singular achievement in diplomacy. What could be a better argument than this to the critical Far Eastern area that the United States is still the land of promise for people of all backgrounds? The Hawaiian Americans of Japanese and other oriental backgrounds will be the living example that we live by principles of freedom and self-determination for all people. These thoroughly American people of oriental background can be a catalyst of untold value in accomplishing understanding where understanding is most needed.

Mr. President, Hawaii is the sole remaining incorporated Territory under the American flag. It is the only remaining area that has met our historic tests for statehood.

12. RECLAMATION; FORESTRY. A subcommittee of the Interior and Insular Affairs Committee ordered reported the following bills: P. D197

S. 44, to authorize construction of the San Luis unit of the Central Valley project, Calif.

S. 72, to authorize construction of the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project of the Colorado River storage project.

S. 994, to authorize construction of the Spokane Valley project, Wash. and Idaho.

13. LEGISLATIVE PROGRAM. Sen. Johnson announced that he plans to have adopted a resolution providing for an Easter recess from Thurs., Mar. 26, to Tues., Apr. 7, and inserted a statement, "Legislative Achievements From January 7, 1959, Through March 23, 1959." pp. 4358-9

HOUSE

14. MILK. Passed as reported H. R. 5247, to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program from \$75 million to \$78 million. pp. 4451-3

Rep. Johnson, Wis., urged enactment of his bill to raise the maximum authorized expenditures for fiscal years 1960 and 1961 to \$85 million each year and inserted a statement supporting increased authorizations for the special milk program. pp. 4453-4

Rep. Johnson, Wis., urged enactment of legislation allowing freedom of commerce for milk and inserted an editorial supporting this position and a Public Health Service statement, "U. S. Milk Code Results in Top Quality Milk." p. 4487

15. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL. Passed without amendment this bill, H. R. 5915, which includes items for the Forest Service. pp. 4454-64

16. TRADE-FAIR IMPORTS. Passed without amendment H. R. 5508, to provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions. pp. 4445-7

17. CONTRACTS. Passed as reported H. R. 2906, to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiations of Government contracts. pp. 4446-7

18. PERSONNEL. Passed as reported H. R. 3472, to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws. pp. 4450-1

19. ECONOMIC STUDIES. Agreed to without amendment S. Con. Res. 13, to authorize the Joint Economic Committee to make a special study relating to prices, wages, monopolies, inflation, employment, private and public monetary policies, and economic growth. p. 4475

20. FEED GRAIN. The Livestock and Feed Grains Subcommittee of the Agriculture Committee ordered reported to the full committee H. R. 5432, to provide that, beginning with the 1959 crop, price support shall be made available to producers of oats, rye, barley and grain sorghums, respectively, at a price determined by the Secretary to bear the same ratio to the support price of corn as the feed value of such commodity bears to that of corn. p. D199

21. FOREIGN TRADE. Rep. Bailey stated that a high portion of U. S.' declining exports were agriculture products, especially cotton and criticized those who advocated aiding Nasser build the Aswan Dam, the building of which would "irrigate 2 million acres of the world's finest long fiber cotton land .. which would eventually destroy the American cotton export industry ..." and criticized the Administration for "total disregard ... of our Buy American Act." pp. 4476-7
22. ECONOMIC EXPANSION. Rep. Johnson (Colo.) urged a policy which would secure adequate economic expansion without inflation, criticized those arguing for greater protectionism to solve unemployment, and criticized the Administration in its approach to solving inflation. pp. 4477-84
23. FARM LABOR. Received from the Labor Department a proposed bill "to provide for the registration of crew leaders in interstate agricultural employment"; to Education and Labor Committee. p. 4490
24. FOREIGN AGRICULTURAL SERVICE. Received from the Comptroller General a report on the audit of the Foreign Agriculture Service, USDA, covering selected activities of the agency to June 30, 1958. p. 4490
25. ALASKA. Received memorial from the Alaska State Legislature urging consideration of amendments to laws affecting interstate commerce to, from, and within Alaska. p. 4492
26. WILDERNESS. Received from the Colorado State Legislature a memorial urging Congress to decline passage of national wilderness preservation legislation. p. 4492

ITEMS IN APPENDIX

27. FUTURE FARMERS. Sen. Morse paid tribute to the members of the Oregon Assoc. of Future Farmers of America. pp. A2544-5
28. FAIR TRADE. Rep. Dingell inserted an article, "Rips New Fair Trade Bill as Incurably Defective." p. A2538
Rep. McCormack inserted the testimony of a Boston College professor before the H. Interstate and Foreign Commerce Committee discussing fair trade legislation. pp. A2545-7
29. COTTON. Rep. Smith, Miss., inserted an article by the executive vice president of the Delta Council on "the urgent necessity of an improved research program for cotton ginning and mechanization." pp. A2551-2
30. ELECTRIFICATION. Sen. Sparkman inserted an editorial, "TVA As A Business." pp. A2521-2
Rep. Evins inserted an editorial, "TVA Yardstick Works Again in Measuring Costs." pp. A2552-3
Rep. McGovern inserted the speech of the dean of the Washington Cathedral before the annual meeting of the National Rural Electric Cooperative Assoc. pp. A2559-60
31. FOREIGN AID. Rep. Passman inserted a copy of his letter to his colleagues criticizing expenditures for foreign aid. p. A2553
Rep. Hays inserted an article, "Foreign Aid Needs Cleaning Up," charging waste in the program. pp. A2556-7
Sen. Javits inserted an editorial, "For Mutual Defense," urging support for the mutual security program. p. A2530

March 24, 1959

14. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 91, to amend the Act of Sept. 1, 1954 to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States (S. Rept. 144). p. 4496
15. RECLAMATION; FORESTRY. The Interior and Insular Affairs Committee ordered reported with amendment S. 44, authorizing construction of the San Luis unit of the Central Valley project, California; without amendment S. 72, authorizing construction of the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project; and without amendment S. 994, authorizing construction of the Spokane Valley project, Washington and Idaho. p. D202
16. NUCLEAR ENERGY. Received a resolution from the Washington State House of Representatives requesting Congress to make provision for the inclusion of convertible features during construction of a new nuclear reactor at the Hanford Atomic Products Operation so it can be used as a source of electrical energy. p. 4496
17. WILDERNESS. Received from the Colorado State Legislature a memorial urging Congress not to pass national wilderness preservation legislation. p. 4495
18. PUBLICATIONS. Received from the Postmaster General a proposed bill "to require information concerning the average of the number of copies of each issue sold or distributed to paid subscribers to be included in sworn statements relating to all publications"; to Post Office and Civil Service Committee. p. 4494
19. INFORMATION. The Judiciary Committee reported with amendments on March 16, S. 355, to amend title 18 of the U. S. Code so as to prohibit the misuse by collecting agencies of names, emblems, and insignia to indicate Federal agency (S. Rept. 107). p. 3754
20. UNEMPLOYMENT. Sen. Clark urged extension of the temporary unemployment compensation program, and inserted several items on the subject. pp. 4504-7

ITEMS IN APPENDIX

21. AREA REDEVELOPMENT. Rep. Toll inserted his testimony before the H. Banking and Currency Committee in support of legislation for Federal assistance to economically depressed areas. pp. A2581-2
22. FAIR TRADE. Extension of remarks of Reps. Alger and Dingell discussing and inserting several items on fair trade legislation for fixing retail prices on trademarked goods. pp. A2582, A2583-4, A2599, A2601-2, A2613, A2613-4, A2621, A2631
23. CONSERVATION. Extension of remarks of Sen. Wiley inserting and endorsing an article, "The Need for Teaching Conservation in Our Schools." p. A2584
24. FOREIGN AID. Rep. Chipperfield inserted an editorial in support of our foreign aid program. p. A2600
Rep. Fulton inserted a letter from the president of the AFL-CIO urging support for the mutual security program "as proposed by the President." p. A2631
25. FARM PROGRAM. Rep. Johnson, Wisc., inserted a statement of the National Farmers Union supporting the family farm, foreign trade, parity farm income, and rural cooperatives. pp. A2602-3

26. FARM LABOR. Rep. Jensen inserted a letter from a farmer explaining "why the proposed increase in farm labor pay would be detrimental to all parties concerned." p. A2603
27. FARM INCOME. Rep. Johnson, Wisc., inserted an article defending farmers against "misinformation" that consumer food costs have increased because of increased prices paid the farmer for commodities. pp. A2614-5
28. SURPLUS COMMODITIES. Rep. Pirnie inserted an editorial, "Crop Surplus: Pathetic, Fantastic," expressing "a deep concern regarding the high cost of governmental storage of our mounting farm surpluses." p. A2616
29. RESEARCH; SCIENCE. Extension of remarks of Rep. Anfuso urging support for legislation to create a Science and Technology Agency to incorporate Federal science agencies. pp. A2623-4
30. GRAINS. Rep. McGovern inserted an article paying tribute to the general manager of the Grain Terminal Assoc. of St. Paul, Minn. pp. A2629-31
31. PUBLIC DEBT. Rep. King inserted an article urging a program for the systematic reduction of our national debt. p. A2624
32. PRICES; MARKETS. Rep. McIntire inserted an editorial, "Pricing Ourselves Out of Business and Jobs," criticizing labor unions for asking for wage rises. p. A2626
33. ELECTRIFICATION. Rep. Moss inserted an article, "Central Valley Project Profits Climb to Record High." pp. A2626-7
34. TRANSPORTATION. Rep. Levering inserted an editorial discussing the advantages of the St. Lawrence Seaway in transportation and electric power. pp. A2628-9

BILLS INTRODUCED

35. LANDS. H. R. 5993, by Rep. Thompson, La., and H. R. 6011, by Rep. McSween, to permit certain real property heretofore conveyed to the board of supervisors of Louisiana State University and Agricultural and Mechanical College to be used for general educational purposes; to Government Operations Committee.
H. R. 5994, by Rep. Weaver, to amend the Federal Property and Administrative Services Act of 1949 to require the disposal of certain surplus land for agricultural use in family-type farm units; to Government Operations Committee.
S. 1521, by Sen. Gore, and H. R. 5973, by Rep. Evins, to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938; to S. Agriculture and Forestry Committee and H. Agriculture Committee.
36. PERSONNEL. S. 1519, by Sen. Langer, to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to Post Office and Civil Services Committee.
H. R. 6012, by Rep. Matthews, to amend the Annual and Sick Leave Act of 1951 to provide that annual leave credited to an employee at the end of a leave year in excess of the maximum amount which may be carried over into the next leave year shall be credited to the employee's sick leave account; to Post Office and Civil Service Committee.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of April 8, 1959
86th-1st, No. 52

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HIGHLIGHTS: Senate passed bill to give REA Administrator authority over all loans. House passed bill to provide flexibility in making crop insurance available to counties. House passed over bill to provide for centennial celebration of establishment of USDA and land-grant colleges. Sen. McClellan introduced and discussed bill to restore to States jurisdiction over certain land used for Federal purposes. Sen. Hruska and 9 other Senators introduced and Sen. Hruska discussed bill to provide for disposal of surplus land in family-type farm units.

SENATE

- ELECTRIFICATION.** Passed, 60 to 27, as reported, S. 144, to provide that the REA Administrator shall not be subject to the control of the Secretary in the approval or disapproval of loans (see Digests 49 and 50 for complete summary of bill). pp. 4931, 4946-59
Rejected, 74 to 13, an amendment by Sens. Curtis and Russell which would have established REA as an independent agency. pp. 4947-9, 4958
Rejected a motion by Sen. Capehart to recommit the bill to the Government Operations Committee. p. 4958
- RECLAMATION.** The Interior and Insular Affairs Committee reported the following bills: p. 4914

S. 72, without amendment, to authorize Interior to construct and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project (S. Rept. 155).

S. 44, with amendments, to authorize Interior to construct the San Luis unit of the Central Valley project, Calif., and to enter into an agreement with Calif. with respect to the construction and operation of the unit (S. Rept. 154).

3. FARM PROGRAM. Sen. Langer inserted his statement on "the lack of a farm bill," stating that "the Senate is predominantly Democratic, 2 to 1, and they must assume the full blame for the lack of the passage of a good farm bill." pp. 4959-60

Sen. Javits discussed his report to the people of New York in which he reviewed the farm situation, foreign affairs, and other matters. pp. 4940-6

4. FORESTRY. Sen. Morse expressed his regret over the death of Robert Aufderheide, supervisor of the Willamette National Forest, and inserted an article commending his service to forestry. p. 4959

5. PERSONNEL. Sens. Dirksen, Lausche, and others debated the merits of proposed legislation to require the public disclosure of the names and salaries of congressional employees, and the income and sources of income of public officials earning more than \$10,000 annually. pp. 4933-7

6. UNEMPLOYMENT COMPENSATION. Sen. Kennedy urged the enactment of legislation to increase the coverage and establish nationwide minimum standards for the payment of unemployment compensation benefits. p. 4965

7. INTERNATIONAL ORGANIZATIONS. Both Houses received a State Department report on the extent and disposition of U. S. contributions to international organizations for the fiscal year 1958. pp. 4914, 4999

8. COOPERATIVES. Received Minn. Valley Cooperative Light & Power Assoc. resolutions opposing the enactment of legislation "which would place prohibitive taxes on cooperatives," and which would change the interest rates on REA loans. p. 4914

9. LEGISLATIVE PROGRAM. Sen. Johnson announced that the calendar will be called Fri., Apr. 10. pp. 4913-4

10. ADJOURNED until Fri., Apr. 10. p. 4965

HOUSE

11. CROP INSURANCE. Passed as reported H. R. 306, to permit the Crop Insurance Board to determine when there is sufficient demand for crop insurance in a county to warrant the program being established there. p. 4970

12. LIBRARY MATERIALS. Passed as reported H. R. 4595, relative to clarification of law providing special postage rates for educational, cultural, and library materials. p. 4975

13. FLOOD CONTROL. Rep. Dulski stated that he opposed the proposed construction of the Kinzua Dam in the Allegheny Reservoir, contending that it is probably not a flood control project and that it infringes on the rights of the Seneca Indians. pp. 4979-80

Calendar No. 141

86TH CONGRESS }
1st Session }

SENATE

{
REPORT
No. 154

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

APRIL 8, 1959.—Ordered to be printed

Mr. KUCHEL, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

[To accompany S. 44]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

TEXT OF S. 44, AS AMENDED

The text of S. 44, as recommended to be amended, is as follows:

That for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, and related facilities. The works of the San Luis unit (here-

inafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay, and afterbay, pumping plants, and the San Luis Canal. The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed so as to permit future expansion; or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area as hereinafter provided and the State's service area. In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) except so far as the provisions thereof are inconsistent with this Act. Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan, Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit or has made provision for constructing the San Luis interceptor drain to the Delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior December 17, 1956.

SEC. 2. The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956. The Secretary shall not commence construction of the San Luis unit, except for the preparation of designs and specifications and other preliminary work, until the execution of such an agreement between the United States and the State, but if such an agreement has not been executed by January 1, 1962, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided*, That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either

the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as is otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share shall make available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity: *Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation of the project for the purposes set forth in section 1 of this Act: *And provided further*, That this right may be relinquished by the State at any time at its option.

SEC. 3. The agreement between the United States and the State referred to in section 2 of this Act shall provide, among other things, that—

(a) the joint use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (i) immediate integration and coordinated operation with the State's water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (ii) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith;

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the States share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or

modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance and replacement costs of the joint use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction cost of the joint use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint use facilities;

(f) the rights to the use of capacities of the joint use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint use facilities for water service outside the Federal San Luis unit service area.

(g) the Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) Notwithstanding transfer of title or of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939 for a water supply through the works of the San Luis unit, including joint use facilities, shall continue to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1), in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(2) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662, as amended), the features of the unit to which such allocation is attributable shall, notwithstanding transfer of title or of the care, operation, and maintenance to the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised and, upon failure so to operate and maintain those features, the amount allocated thereto shall become a reimbursable cost to be paid by the State.

SEC. 4. In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contracts conforming generally to the provisions of the Federal reclamation laws with respect to irrigation repayment or service contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925, 43 U.S.C. 523).

SEC. 5. The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be nonreturnable and nonreimbursable under the Federal reclamation laws.

SEC. 6. The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley project," dated December 17, 1956.

(a) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.

SEC. 7. There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes. There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, and (b) for operation and maintenance of the unit. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act.

AMENDMENTS TO S. 44 (SAN LUIS BILL)

Amendments recommended to S. 44 as introduced are as follows:

Page 1, line 5, after "California," insert "hereinafter referred to as the Federal San Luis unit service area,".

Page 2, line 8, after "works", insert "of the San Luis unit".

Page 2, beginning line 12, strike "Those joint-use facilities may be constructed" and insert in lieu thereof the following:

The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed so as

Page 2, line 13, strike comma and insert semicolon in lieu thereof.

Page 2, beginning line 13, strike "and upon" through word "constructed" in line 16.

Page 2, line 16, after "or", insert "the joint-use facilities".

Page 2, line 17, after "both the", insert "Federal".

Page 2, line 18, after "area", insert "as hereinafter provided".

Page 3, line 9, strike beginning "or has" through "San Luis unit" line 11, and insert in lieu thereof the following:

or has made provision for constructing the San Luis interceptor drain to the Delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior December 17, 1956.

Page 3, line 17, after "the", insert "Federal"; and, after "San Luis", insert "unit".

Page 3, line 25, after "by", strike "July 1, 1960" and insert in lieu thereof "January 1, 1962".

Page 4, line 22, after "State", insert the following:

shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share

Page 5, line 5, after "interfere", insert "unduly".

Page 6, line 1, strike "appropriate" and insert in lieu thereof "equitable".

Page 6, line 16, after "interfere", insert "unduly".

Page 6, line 19, after "an", strike "appropriate" and insert "equitable".

Page 7, line 19, after "the", insert "Federal".

Page 8, line 20, after "U.S.C. 662)", insert "as amended,".

Page 10, line 2, after line 2, insert new section 6 as follows:

SEC. 6. The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.

(a) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.

Page 10, line 3, strike "SEC. 6", and insert in lieu thereof "SEC. 7".

EXPLANATION OF AMENDMENTS

For purposes of clarification, an analysis of the amendments to S. 44 recommended by the committee is as follows:

The first two amendments on pages 1 and 2 are designed to precisely define the San Luis unit of the Central Valley project that is specifically authorized by the bill.

The amendment on page 2, beginning line 12, is for the purpose of emphasizing that the Secretary of the Interior has a mandate to construct the dam and reservoir so as to permit future expansion, and that such construction of other joint-use facilities is permissive, subject to the limitations on appropriations authorized and an agreement with the State of California.

Such an intention is made clear in the colloquy among members of the full committee at the executive session on March 24, 1959, which is reproduced in the appendix to this report.

Other amendments on page 2 are consequential and for purposes of clarification.

On page 3, the first amendment is designed to insure that the Secretary shall make provision for adequate drainage requirements for the San Luis unit as proposed in the report of the Bureau of Reclamation. The second amendment on page 3 is consequential.

On page 3, line 25, the cutoff date for an agreement by the State of California to participate in a joint venture with respect to the San Luis unit is extended to January 1, 1962.

On page 4, line 22, the amendment provides that the State shall agree equitably to share the cost of the joint-use facilities of the San Luis unit.

Amendments on pages 5 and 6 are corrective and consequential.

On page 10, after line 2, a new section 6 is inserted that deals with the application of the acreage-limitation provisions of the Federal reclamation law to lands outside those under contract to receive a water supply from the Federal San Luis unit. Under this section, lands receiving water from State facilities under State contracts would be subject only to California law.

(The position of the committee is that the Federal reclamation law with respect to acreage limitations should apply only to lands under contract with the United States.)

Section 6(a) authorizes the Secretary to provide Central Valley project service by way of the Pacheco tunnel route to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties in California. Construction shall not start until a feasibility report is approved by the Congress, unless the Governor of California advises the Secretary that the State approves construction of the works by the United States.

In any event the appropriations for construction authorized by S. 44 are limited to the figure stated in section 7, which is \$290,430,000.

BACKGROUND OF AMENDMENTS

The amendments recommended by the committee were proposed by the sponsor (Senator Kuchel) of S. 44 with the concurrence of the cosponsor (Senator Engle). The proposals were analyzed by the light of testimony at public hearings.

The Governor of California, Hon. Edmund G. Brown, endorsed the amendments at a personal appearance before the Subcommittee on Irrigation and Reclamation at a hearing on March 16, 1959. The Governor also outlined in detail his proposals to expedite financing of a California State water plan.

PURPOSE OF AMENDMENTS

The purpose of the substantive amendments in section 1 is to clarify provisions of the bill to pave the way for integration of the Federal San Luis unit, Central Valley project, with the California State water plan under a public partnership arrangement. This arrangement will assure full protection for the Federal investment and at the same time evidence cooperation with the State of California in the conservation and development of its water resources.

The amendments reflect a composition of some of the major differences among Californians as to the Federal-State relationship with respect to the Federal program for the San Luis unit and particularly for paving the way for its integration with the State water plan.

Adequate protection is afforded for the proposed Federal investment in the San Luis unit by the bill as amended. In the event the State fails to consummate an agreement with the Secretary of the Interior by January 1, 1962, the Federal program would proceed with the construction of San Luis Dam and Reservoir with capacity to serve the Federal project area. Limited expenditures for footings and other features of the San Luis Dam and Reservoir would permit increased capacity to serve areas in the southern San Joaquin Valley by way of Avenal Gap if authorized by the Congress, or permit later integration with the Feather River project of the State water plan.

An earlier agreement between the Secretary and the State of California in accordance with the provisions of S. 44 would, of course, expedite the program that the committee recommends to the Senate in the form of S. 44.

SPONSORS OF BILL

S. 44 is sponsored by the senior Senator from California (Mr. Kuchel) and his colleague, Senator Engle.

CONSIDERATION BY COMMITTEE

The Committee on Interior and Insular Affairs, and, especially the Subcommittee on Irrigation and Reclamation, have considered the proposed San Luis unit, Central Valley project, over a period of 3 years. Hearings were held on May 11, 12, and 14, 1956, on the proposed San Luis phase of a joint development with the Trinity project, which was subsequently authorized. On March 17-18, 1958, hearings were held on S. 1887, which proposed authorization of the San Luis unit only.

The committee reported favorably on S. 1887 and the Senate passed the bill on August 15, 1958.

Transcripts of previous hearings and the committee report on S. 1887 (Rept. No. 2202) have been incorporated in the record by reference and have been considered in formulating the favorable recommendations on S. 44. New material developed at the hearings on March 16, 1959, has been given particular attention as well as discussions at a subcommittee meeting on March 23 and at a full committee session on March 24.

At the latter meeting, a colloquy among members of the committee was ordered printed as a part of the hearings, in order to make crystal clear the intent of the proposed legislation with respect to the relationship of the Federal and State Governments as to respective specific responsibilities in connection with the development of San Luis Dam and Reservoir.

Incidentally, it should be noted that the chairman of the Subcommittee on Irrigation and Reclamation (Mr. Anderson) has viewed the San Luis area from the air, and the record reflects his reactions to the worthiness of the development from the standpoint of the Federal interest and concern for cooperative development of water resources through irrigation.

DESCRIPTION OF SAN LUIS UNIT, CENTRAL VALLEY PROJECT

The San Luis unit is proposed as the next major addition to the Central Valley project. Its service area of approximately half a million acres is located on the west side of the San Joaquin Valley in California. New works required to serve the area include the San Luis Dam and Reservoir, San Luis Canal, Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, and related works. The estimated cost of the main supply facilities is \$290,430,000, of which all but about \$100,000 for minimum basic recreation facilities would be reimbursable.

The area to be served is composed of nearly all class 1 or 2 land capable of growing a wide variety of crops if adequate water is provided. The area receives less than 10 inches of rainfall per year and

has no appreciable natural surface water supplies. About three-fourths of the area now is irrigated from wells but the ground water is poor in quality, and limited in amount. The wells are expensive to develop and the water levels have been receding without interruption for more than a decade.

Payment by the farmers for water deliveries plus financial assistance from the Central Valley project would repay the reimbursable portion of the cost of project works in 50 years. A rate of \$7.50 per acre-foot was assumed in the financial analysis of the proposed project. This rate would be within the ability of the water users to pay.

In addition to the main water supply features the San Luis area would require distribution systems, drains, and some deep wells. The estimated cost of these works is \$192,650,000. The local districts could finance and construct these works by themselves, or request the Federal Government to do it. In the latter event repayment for these works in 40 years would be required.

The San Luis unit, as provided in S. 44, can be constructed for coordinated operation with the Feather River project of the State of California. This would involve building certain joint features, such as the San Luis Reservoir and Canal, to ultimate capacities initially or providing in their initial construction for later enlargement. The sharing of the costs of joint facilities should result in savings to both the Federal San Luis unit and the State Feather River project.

CORRESPONDENCE CONCERNING THE SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

LETTER TO SENATOR ANDERSON FROM ASSISTANT SECRETARY OF THE INTERIOR AANDAHL ON THE LEGISLATIVE INTENT OF THE BILL AS AMENDED

U.S. DEPARTMENT OF THE INTERIOR,

OFFICE OF THE SECRETARY,
Washington, D.C., March 24, 1959.

Hon. CLINTON P. ANDERSON,
Chairman, Subcommittee on Irrigation and Reclamation,
Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: The language of Committee Print No. 1 on S. 44 in lines 17-20, page 2, provides that the San Luis Dam and Reservoir shall be constructed so as to permit future expansion. We assume this language applies to enlargement to accommodate the State plan rather than an enlarged Federal project.

I am informed by the Bureau of Reclamation, and I agree, that in the event the Bureau of Reclamation so constructs the San Luis Dam, the provisions to permit future expansion will be generally as follows:

1. Installation of outlet works in the initial structure of sufficient capacity to accommodate ultimate use;
2. Acquisition of lands and rights-of-way to elevations ample to accommodate the 2,100,000-acre-foot reservoir; and
3. Construction of those elements of the dam, such as the cut-off trench and the impervious core that would be extremely difficult and costly to modify later, to specifications that would serve the larger dam structure.

I am advised further by the Bureau that if provision were to be made for enlargement the main structure would not be constructed initially to the base width necessary for the higher dam. Several minor saddle dams would also be involved in construction of a 1 million acre-foot reservoir. These would be constructed in the most economical manner to permit their later enlargement.

Sincerely yours,

FRED G. AANDAH, *Assistant Secretary of the Interior.*

MEMORANDUM TO SENATOR ANDERSON CONCERNING ASSOCIATE
COMMISSIONER DOMINY'S LETTER OF MARCH 19

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
March 20, 1959.

Memorandum to SENATOR ANDERSON.

I have reviewed the record of the hearing on S. 44, to authorize the San Luis unit, Central Valley project, California, together with Associate Commissioner Dominy's letter to you of March 19. My particular attention was directed to an analysis of the cost involved in the amendments, principally to section 1, with respect to the authorization for construction by the Secretary of the Interior of the joint-use facilities. I come up with these figures, which appear to be controlling:

1. The authorization for appropriations in section 6 of the bill is \$290,430,000.

2. Included in this total of \$290,430,000 are: (a) \$10,814,000 for footings and other facilities of San Luis Dam, whereby the capacity may be increased from 1 million acre-feet to 2,001,000 acre-feet (i) if the State comes into the project, or (ii) if the service area of the San Luis project is extended to the Avanol Gap area in the Southern San Joaquin Valley;

(b) \$4 million for additional capacity or facilities at the Tracy pumping plant, under either of the conditions mentioned in (a); and

(c) \$2,887,000 for San Luis modifications in the event the enlargement project is developed.

The total of these figures provided for in the \$290,430,000 authorization for appropriations is \$17,701,000.

3. This \$290,430,000 appears to be an absolute limitation so far as the facilities mentioned with the respective amounts estimated. Any additional facilities, such as further enlargement of existing canals or additional canals would require reauthorization by the Congress. It is estimated that in event the State project comes in, an additional \$5 million to \$8 million would be required to finance extra outlet capacity in the dam.

4. The State of California has been engaged in the purchase of the right-of-way for the dam and reservoir and it has generally been the understanding that it would make the contribution of the cost of the right-of-way to its share of the additional cost of the projected facilities of the dam and reservoir in connection with the possible cost of extra outlet capacity in the dam, in the event the State comes into the project.

5. Because of the sharing of the cost of San Luis Dam and Reservoir and other joint-use facilities, it is estimated that the cost to the United States of the San Luis unit will be reduced to something like \$230 million or \$240 million because of the State's assumption of its share.

6. The best engineering advice that can be gotten is that enlargement of the San Luis Canal to accommodate the State's Feather River project would be infeasible. Therefore, the permissive language that the Secretary may construct joint-use facilities, other than the San Luis Dam and Reservoir, should be construed to authorize the Secretary to act as the constructing agent in connection with the State project. The permissive "may," in this connection, is interpreted to mean just that. In other words, a second canal as a part of the State project would be constructed only if the State put up the money for that purpose.

In reviewing the transcript and the Dominy letter of March 19, as well as checking personally with Reclamation personnel, I am convinced that the amendments to section 1 fully safeguard the maximum authorization of \$290,430,000 for the construction of the Federal San Luis unit as a maximum, and that any departures or substantial modifications of the construction items listed will require congressional authorization or approval.

In other words, the suggestion that the project might involve a Federal expenditure upward of \$400 million or so has been eliminated by the modifying amendments in the committee print, supplemented, by the explanations I have summarized in this memorandum.

GOODRICH W. LINEWEAVER,
Committee Assistant.

ASSOCIATE COMMISSIONER DOMINY'S LETTER TO SENATOR ANDERSON

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., March 19, 1959.

HON. CLINTON P. ANDERSON,
Chairman, Subcommittee on Irrigation and Reclamation, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: As requested during the March 16 hearing before your committee on S. 44, a bill to authorize the San Luis unit, Central Valley project, California, the following is an analysis of the cost required to provide in the initial construction of the unit for future enlargement of certain facilities.

Our estimate of \$290,430,000 as the cost of a Federal San Luis unit contains \$17,701,000 for such modifications that would permit enlargement later to provide specifically for irrigation service to lands additional to those now included in the San Luis unit. This \$17,701,000 comprises \$10,814,000 for modification of the San Luis Dam and outlet works, \$4 million for modification of the pumping plant, and \$2,887,000 for modification of the San Luis Canal.

The modifications for future enlargement of the reservoir and the pumping plant to accommodate the Feather River project would be essentially the same as those we had contemplated to accommodate expansion of the Federal San Luis unit. Some additional outlet

capacity would be required, which might raise cost of the dam modification from \$10,814,000 to \$16 million. Cost of the pumping-plant modification would remain at \$4 million.

The situation in respect to the San Luis Canal, however, is quite different. To expand the Federal San Luis unit to serve the Avenal Gap area would require a relatively modest increase in the capacity of the San Luis Canal. This is true because of the ability to use the canal on an off-peak basis in the same manner as the Delta-Mendota is used for the San Luis unit. To accommodate the Feather River project, however, would require doubling the capacity of the San Luis Canal in its upper reaches and increasing the capacity by tenfold in the lowest reach. There is no practical way to construct this canal now for enlargement to such proportions later at costs significantly less than would be required for initial construction to ultimate capacity. If the canal is not constructed originally to ultimate capacity, it is our judgment that the only feasible alternative would be to construct a second parallel canal in the future when the additional capacity is required.

In that event, there is little that can be done at the time the first canal is built to reduce significantly the total construction costs of the two canals other than savings which might be effected through purchase of additional right-of-way and provision of enlarged protective structures.

The above comprise the best estimates that we can make with available information. We hope they are sufficient for the purposes of the committee.

Sincerely yours,

FLOYD E. DOMINY,
Acting Commissioner.

LETTER FROM ASSISTANT SECRETARY AANDAH

U.S. DEPARTMENT OF THE INTERIOR,

OFFICE OF THE SECRETARY,
Washington, D.C., March 16, 1959.

HON. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate,
Washington, D.C.

DEAR SENATOR MURRAY: This responds to your request for the views of this Department on S. 44, a bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

We recommend that this bill be enacted.

If its is enacted, S. 44 will permit the carrying out of the proposals made in this Department's project-planning report on the San Luis unit, Central Valley project, dated August 1, 1956. After clearance through the Bureau of the Budget, copies of this report were transmitted to the Congress on December 17, 1956. The general plan of Federal development of the unit was described in our report to your committee dated June 28, 1957, on S. 1887, 85th Congress, and need not be repeated in this report.

The bill would provide, also, that certain of the main supply works could be constructed in a manner and to capacities to permit their joint use by the United States and the State of California. It would authorize the Secretary of the Interior to enter into an agreement with respect to the construction, operation, and financing of these joint-use facilities. Under the provisions of the bill, an equitable division of the costs of construction, operation and maintenance of such facilities would be arrived at by negotiation. While rights to the use of capacities in the joint-use features would be similarly the subject of negotiation and agreement, subsection (f) of section 3 of the bill would require that the United States be unrestricted in its right to the use of sufficient capacities to serve the Federal San Luis unit.

In addition to favoring the enactment of legislation authorizing the construction by the Federal Government of the San Luis unit of the Central Valley project, we support the concept embraced in S. 44 that the main supply features may be constructed, pursuant to suitable agreement, also to serve proposed water developments by the State of California. We are of the opinion that the bill would furnish adequate authority to accomplish both of these objectives. It would provide a legislative framework within which the United States and the State could work out appropriate, mutually acceptable arrangements for operation of the joint-use works of the San Luis unit so that the State's water development requirements could be served without adversely affecting the operation of the Federal project and without any impairment of the Federal investment. The provisions of the bill properly recognize, we believe, that such matters as the sharing of costs and of capacities of the joint-use works cannot be determined by any fixed statutory formulae but must be worked out by the contracting parties upon taking into account all relevant factors.

In order to clarify certain of the provisions of the bill dealing with the sharing of costs, we suggest the following amendments for the committee's consideration:

1. In place of the sentence appearing in lines 12 through 18; on page 2, substitute the following: "Upon agreement by the State or some other public agency to equitably share the cost as later provided in this Act, those joint-use facilities may be constructed initially either to permit future expansion or to capacities necessary to serve both the San Luis unit service area and the State's service area."

2. In line 22, on page 4, after the word "State", insert the words "shall agree to equitably share the total cost of constructing the joint-use facilities and as a part of its share".

3. In lines 1 and 19, on page 6, substitute the word "equitable" for the word "appropriate".

The sentence beginning at line 12, on page 2, indicates that the costs of the joint-use facilities should be apportioned between the United States and the State on an equitable basis. The amendments suggested above are designed, first, to rephrase the language of that sentence to make it clearer without changing its meaning in this respect and, second, to make the other provisions consistent with that sentence.

In addition, we suggest that on page 8, in line 20, between the comma and the word "the" which follows, there be inserted the words "as amended," to take cognizance of the recently enacted amend-

ments to the Fish and Wildlife Coordination Act (Public Law 85-624, 85th Cong.).

The data called for by Public Law 801, 84th Congress, are attached for your information.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee. However, that Bureau has requested that your committee be advised that it would recommend that the provisions of S. 44 be modified to provide for treating the cost of minimum basic recreational facilities as part of the overall Federal cost to be allocated to the major purposes of the project subject to the cost-sharing or reimbursement requirements applicable to such purposes.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

Estimated additional man-years of civilian employment and expenditures for the 1st 5 years of proposed new or expanded programs

	1959	1960	1961	1962	1963
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....			1	1	1
Clerical.....			1	1	1
Total, executive direction.....			2	2	2
Administrative services and support:					
Accountant.....				3	3
Clerical.....				7	7
Property management.....				6	6
Records maintenance.....				4	4
Total, administrative services and support.....				20	20
Substantive (program):					
Engineering aids.....			10	30	30
Engineers.....			15	59	59
Geologist.....			5	5	5
Total, substantive.....			30	94	94
Total, estimated additional man-years of civilian employment.....			32	116	116
Estimated additional expenditures:					
Personal services.....			200,000	700,000	700,000
All other.....			2,450,000	9,000,000	32,000,000
Total, estimated additional expenditures.....			2,650,000	9,700,000	32,700,000

LETTER FROM PHILLIP S. HUGHES, BUREAU OF THE BUDGET

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 12, 1959.

HON. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of January 19, 1959, requesting the views of the Bureau of the Budget on S. 44, a bill, to authorize the Secretary of the Interior to construct the San

Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

The bill would authorize Federal construction of the San Luis irrigation development in California, and would permit participation by the State of California in the financing, construction, and operation of the project under a partnership arrangement.

Section 5 of the bill would authorize Federal construction of minimum basic recreational facilities on a nonreimbursable basis. We believe that the costs of such facilities should be treated as part of the overall Federal costs and allocated to the major purposes of the project subject to the cost-sharing or reimbursement requirements applicable to such purposes. Accordingly, the Bureau of the Budget would recommend that the bill be amended to delete the last sentence of section 5.

Subject to modification of the bill as indicated above, the Bureau of the Budget would recommend enactment of S. 44.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

APPENDIX

(The following colloquy at an executive session of the Senate Committee on Interior and Insular Affairs on March 24, 1959, was ordered to be printed as an appendix to the committee report on S. 44, to authorize the San Luis unit, Central Valley project, California:)

STATEMENT BY SENATOR ANDERSON

Senator ANDERSON. Now, Mr. Chairman, we come to a third bill, which is S. 44, to authorize the San Luis unit, Central Valley project, California, I guess we should allow Senator Kuchel to speak about.

I do want to say for myself that the San Luis unit is one which I had the privilege of carefully inspecting because it involved a total of \$290 million as a Federal undertaking alone, and, if combined with the State project, involved a total of \$480 million. I thought a project that ran nearly half a billion dollars was one I wanted to see myself, if I could do so.

I have been not only all over the area where the canals are to be constructed but I have gone to the Tracy pumping plant. I have followed the Delta-Mendota Canal up to the spot where water will be taken from it and put into a lift that would raise it up into the San Luis Dam and Reservoir. I have flown around the area of the San Luis Reservoir and then returned and followed the canal line on down into the area which would eventually take the water probably down to Los Angeles if the large State project is constructed, or perhaps into the Kern County area or something of that nature.

But at least I can say I have been over the project. I want to put into the record that I endorse the project strongly, that I completely endorse this bill, and that I hope it may be reported to the Senate as unanimously by this committee this year as it was last year.

It passed the Senate last year after some discussion. It is a better project this year than it was last year because every year you delay the construction of works of this nature, the more desperate the situation becomes as to certain additional works that may be constructed in the future.

I am referring, for example, to the groups who were represented here.

It is a strange thing for a person, like me from an area that is devoid of water in certain spots to find a State like California that has got too much of it in spots. Under this situation, it needs to bring the water up and put it into a large reservoir and then possibly take it out of the other end of that reservoir and pour it down into another area for use on the lands that are involved in that irrigation project.

This is a sample of intelligent planning on the part of the Federal Government plus, I think, good planning on the part of the State of California.

I use the word "good" only because California has not yet completely joined in this San Luis project. When it does and takes its share of it, I think it will be an extremely fine project.

I am happy, of course, to yield to my good friend from California who, with Senator Engle, has worked hard to bring out a bill on which the State of California finds itself in general agreement.

I would like the record to show that, as chairman of the Subcommittee on Irrigation and Reclamation, I would commend the two California Senators who put in a lot of time on this bill, and helped us by avoiding a fight over the distribution of this water by putting in language that I think is satisfactory to all concerned.

Senator Kuchel, I am glad to give you the floor.

Senator KUCHEL. Once again I am grateful to the distinguished Senator from New Mexico for the monumental assistance he has given to the people of California in an attempt to make progress and to solve this continuing basic problem of water.

Senator ANDERSON. I wonder if I could be excused because there may be discussion of the amendments and I would like to be reported, Mr. Chairman, as voting in favor of all these amendments. I hope that there will go into the record this language with an explanation of why it is going in, and I would like very much to be recorded as voting in favor of the bill, if I may, on the final report.

Mr. LINEWEAVER. You mean the amendments in the committee print?

Senator ANDERSON. Yes.

Senator O'MAHONEY. And no others?

Senator ANDERSON. No others.

I think, for the record, I had better say what my problem has been.

I would like to see the project developed so that the State can join with it. Therefore, I would like to see the dam, when the first construction is done on it, built so it later could fit into the State plan and the reservoir have a capacity of 2,100,000 acre-feet of storage rather than 1 million acre-feet of storage as planned for the San Luis unit alone. But I would not want to commit the Federal Government to build a big dam unless the State of California was going to put up its share.

QUESTION BY SENATOR O'MAHONEY

Senator O'MAHONEY. Are those figures to be in the report?

Senator ANDERSON. The report is going to be worked out to show that the bill authorizes a \$290 million project, which includes \$10,800,000 for the basis for enlargement of the foundations and footings for the dam. That is what the Bureau of Reclamation recommended, and that is what I think this committee would be wise to do.

There is no disagreement between Senator Kuchel and myself. The only misunderstanding was as to language. I believe the best way to clarify the language is by the report.

I might say to the Senator from Wyoming I hope he takes a good look at the report, too, because it is going to be shown by Senator Kuchel to Senator Allott. I made a commitment to Senator Allott that he would have a chance to look at the language. It is going to be seen by Senator Bible, and I would be very happy if the Senator from Wyoming would take a look at it also.

STATEMENT BY SENATOR O'MAHONEY

Senator O'MAHONEY. I notice that on page 2, lines 17 and 18, the amendment contains the alternative language which was suggested by Senator Kuchel at the last meeting when this was discussed, by substituting for "the joint-use facilities" the words "the joint-use facilities consisting of the dam and reservoir shall be constructed and its joint-use facilities may be constructed so as to permit future expansion."

That seems to meet all the objections that were raised at that time.

Senator ANDERSON. I surely appreciate that statement from the Senator from Wyoming.

Senator O'MAHONEY. But I notice this is the Committee Print No. 1. The print we had at our last meeting showed amendments. So is this not Committee Print No. 2?

Senator ANDERSON. This is the same text, I think.

STATEMENT BY SENATOR KUCHEL

Senator KUCHEL. Mr. Chairman, I want to thank also my good friend, the able senior Senator from Wyoming, for participating in the hearings and in helping to eliminate the question which arose when we did have the hearings a couple of weeks ago.

Mr. Chairman, the bill, in effect, authorizes the Secretary of the Interior to construct the San Luis unit of the Central Valley project. That unit is to become an integral part of the Central Valley project, which is a Federal reclamation project operating in the two great valleys of California. Meanwhile, the people of the State, through their State government, have gone forward in the development of plans for a series of water projects to be developed and built by the State to bring supplemental water to those areas which need it by reason of the tremendous increase in population in my State.

The State water plan, as conceived by the State government, is an \$11 billion undertaking. A portion of the State water plan is termed the Feather River project. In a word, a State project by which supplemental northern water would be transported over the mountains or around the coastline of Santa Barbara and Ventura Counties into all the areas of southern California, to be used in the main, of course, for supplying supplemental water for people and for industry as well as for agriculture.

These two great projects, one a Federal project and one a State project, would cross at the San Luis Reservoir site. Here is one instance where the Supreme Being saw fit to place in the mountains at San Luis an admirable site for a storage reservoir.

Thus, working together, the people representing the State and the people representing the Federal Government conceived the idea of an integrated reservoir which would supply storage needs for both the Federal reclamation project and the State project.

Thus, as has been previously suggested by the Senators from New Mexico and Wyoming, this legislation would authorize the Secretary of the Interior to construct a dam of the size necessary for the Federal project but upon a foundation large enough and strong enough to permit subsequent enlargement so that the State, paying for that enlargement, would be able to utilize the storage reservoir as a part of the Feather River project when it comes into being.

Senator BIBLE. What is the date by which they must meet that agreement?

Senator KUCHEL. The bill provides that the agreement must be reached by the 1st day of January 1962. In the interim period of time a general election will have been held. The State legislature now is in its general session.

The Governor of California, appearing and testifying in favor of the legislation here before us, indicated that he had complete optimism that the legislature would proceed with the required State legislation to implement this bill. Beyond that he expects the State to pass such legislation as would require the people's approval to raise those moneys by a bond issue which would be necessary to carry on the Feather River project.

In connection with the statement I made just a moment ago about the Secretary's authority to construct this dam and to construct it in a fashion to permit subsequent enlargement, I would like to read the letter of Assistant Secretary of the Interior Aandahl, which was received by the committee at the committee's request:

"DEAR SENATOR ANDERSON: The language of Committee Print No. 1 on S. 44 in lines 17 to 20, page 2, provides that the San Luis Dam and Reservoir shall be constructed so as to permit future expansion. We assume this language applies to enlargement to accommodate the State plan rather than an enlarged Federal project.

"I am informed by the Bureau of Reclamation, and I agree, that in the event the Bureau of Reclamation so constructs the San Luis Dam, the provisions to permit future expansion will be generally as follows:

"1. Installation of outlet works in the initial structure of sufficient capacity to accommodate ultimate use,

"2. Acquisition of lands and rights-of-way to elevations ample to accommodate the 2,100,000 acre-foot reservoir, and

"3. Construction of those elements of the dam, such as the cutoff trench and the impervious core that would be extremely difficult and costly to modify later, to specifications that would serve the larger dam structure.

"I am advised further by the Bureau that if provision were to be made for enlargement the main structure would not be constructed initially to the base width necessary for the higher dam. Several minor saddle dams would also be involved in construction of a 1 million acre-foot reservoir. These would be constructed in the most economical manner to permit their later enlargement."

I want, of course, that that be made a part of the report at this point so that the intent by which this legislation would be considered here and, I hope in the Congress generally, would be clear and unmistakable.

The bill thus provides for a contract to be entered into with the State under which the dam to a capacity of 2,100,000 acre-feet would be constructed. It provides for the transfer of title of the necessary real property interests from the State to the Federal Government, and it has adequate and reasonable provision for operation of the reservoir.

This, Mr. Chairman, represents, I think, an admirable type of co-operation between the two levels of government, Federal and State. It provides for an equitable cost sharing between them. It also pro-

vides that if the State were to be unable to come into any agreement, then the Secretary, as a Federal project alone, would commence construction of the project, but in no event should such construction commence until 90 days after the Secretary has reported to the Congress.

This legislation has been approved by the Department of the Interior, the Budget Bureau, the Governor of California and, in essence, by this committee and by the Senate last year.

I want to say very frankly that, in my judgment, the reason that this long overdue legislation has not previously been written into law by the Congress has been because of a sectional dispute, sometimes bitter, between people in the north of my State and people in the south. But I am delighted to tell you that, as a result of a series of conferences in which I participated last week or the week before last, the people representing the various sections of the State have agreed to urge, on a unanimous basis, favorable consideration of this legislation by the Congress.

Two more things ought to be mentioned.

An amendment was proposed by both the Senators from California, which is in the bill now before us, to make crystal clear that reclamation law will apply to all waters flowing from San Luis Dam which serve the Federal Central Valley project, and, further, that State law and State law alone shall govern the use to which the waters may be put which flow from the San Luis Dam into the State system.

One more thing.

As Senator Anderson suggested, the bill also authorizes the Secretary to provide supplemental water service to the lands and municipalities in Santa Clara, San Benito, Santa Cruz and Monterey Counties.

I recall with pleasure that my friend from Idaho, the able junior Senator from that State, matriculated at Stanford. That area, he will recall, is in exceedingly dire straits now from the standpoint of supplemental water, and this would recognize that responsibility. It would further provide, however, that no construction of such additional facilities should be undertaken until feasibility has been determined, and, beyond that, that the Governor of California shall have notified the Department of the Interior that the State approves such works of construction.

Aside from those amendments which I have commented on, Mr. Chairman, the balance of the amendments, I think I may say in all truthfulness, are technical in character where they differ from the bill as it was approved last year.

QUESTION BY SENATOR BIBLE

Senator BIBLE. The overall cost of the project is \$290 million; is that correct?

Senator KUCHEL. The overall cost to the Federal Government would be approximately \$290 million, and that would be the ceiling which would be placed on this present legislation.

Senator BIBLE. Does that include the larger cost for the footings?

Senator KUCHEL. Yes; it does.

Senator BIBLE. That is an additional \$10 million, the footings for a larger dam?

Senator KUCHEL. Yes; in round figures. \$10,814,000; almost \$11 million for the footings and other facilities of the dam.

Mr. LINEWEAVER. Senator Kuchel, you may desire to state that should the State and the Federal Bureau of Reclamation work out this joint contract, the cost to the Federal Government would probably be reduced to \$250 million.

Senator KUCHEL. And is that included in your memorandum of yesterday, Goodrich?

Mr. LINEWEAVER. No, sir; but it was stated at the hearing.

Senator KUCHEL. By the Department of the Interior?

Mr. LINEWEAVER. Yes, sir.

Senator KUCHEL. Yes, that is important, and I thank you for it.

FURTHER QUESTION BY SENATOR O'MAHONEY

Senator O'MAHONEY. May I ask you, Senator, if this letter of Secretary Aandahl, dated March 24, 1959, which you have just read into the record, was written on the basis of this document which we call Committee Print No. 1? This is the precise one that he had before him?

The reason I ask that question is because in the opening sentence it is not altogether clear that he is referring to this specific amendment.

Senator KUCHEL. I will answer that, Senator, unequivocally. That is, however, the fact.

Senator O'MAHONEY. That is what I thought.

Then it is your understanding that these subparagraphs in Secretary Aandahl's letter, labeled "1, 2, and 3," constitute the type of dam and reservoir construction which is meant by the amendatory language "the joint-use facilities consisting of the dam and reservoir shall be constructed"?

Senator KUCHEL. It is, without any reservation at all.

Senator O'MAHONEY. And then I notice from the remaining phrase of that opening part, the new sentence reads as follows: "and other joint-use facilities may be constructed so as to * * *"

Now the use of the word "may" there has been followed, I assume, because the construction of these other joint-use facilities is dependent upon the agreement with the State.

Senator KUCHEL. The Senator is correct.

Senator O'MAHONEY. Then in line 23 of page 2 there is amendatory language consisting of the words "or the joint-use facilities," and it says: "or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area as hereinafter provided."

The words "hereinafter provided" are amendatory words?

Senator KUCHEL. Yes, indeed.

Senator O'MAHONEY. And that, likewise, is intended to make it clear that the obligation of the Federal Government to build these additional joint-use facilities is dependent on the agreement with the State?

Senator KUCHEL. Precisely.

Senator O'MAHONEY. Then on page 4 there is no amendment, but there is a proviso beginning in line 19 which reads as follows: "Pro-

vided, That, if the Secretary so determines,"— that is to say that he determines that the prospects for agreement with the State are not reasonably firm—"he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days)."

There appears to be no language to indicate why that 90-day calendar period is provided. Is it the intention to give to Congress 90 days in which to reexamine the matter and the failure of the State to enter into a joint contract?

Senator KUCHEL. I will say "Yes," but I will say more than that.

This is, without any question of a doubt, an authorization for the construction of the San Luis unit as an integral part of the Central Valley project. It is the hope and it is the belief of those who sponsor the bill that the State will join in the development, and that the San Luis will be an integrated reservoir of twice the capacity which the Federal construction alone would envisage.

The 90-day provision was added a year ago in an attempt to indicate to the people in the House of Representatives the desire on the part of the sponsors of this legislation in the Senate a fairness in which that additional period would be given for any activity by Congress which Congress might deem appropriate.

Senator O'MAHONEY. Would that include a decision not to proceed because the State had not made the contract?

Senator KUCHEL. By repeal legislation; yes, sir.

Senator O'MAHONEY. In other words, that is the intention of it?

Senator KUCHEL. Precisely.

Senator O'MAHONEY. And on page 5, line 16, of Committee Print No. 1, the word "it" refers to the State, does it not? " * * * it shall have an irrevocable right to enlarge or modify such facilities at any time * * * "?

Senator KUCHEL. Yes, sir.

Senator O'MAHONEY. Then why is the word "unduly" inserted in line 21? "*Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation * * *."

That is an amendment, that word "unduly"?

Senator KUCHEL. Yes, and I think that was recommended so that, while it is clear, I think, that any such performance of work would to some extent, however minor, interfere with the operation, that it was not that minor interference which the Congress wished to disregard, but, rather—

Senator O'MAHONEY. Do you have a statement to that effect in the report?

Senator KUCHEL. At this point, Mr. Lineweaver, may I suggest, so there will be no misunderstanding, in answer to the question of the Senator from Wyoming, that we indicate why the word "unduly" on page 5, line 21 was put in there along the lines indicated.

Mr. LINEWEAVER. Yes, sir. The word "unduly" was suggested in order to protect the Federal operations.

Senator O'MAHONEY. Thank you very much, Senator.

STATEMENT BY SENATOR CHURCH

Senator CHURCH. Mr. Chairman, I would like to say it was my pleasure to sit in on the meeting of the subcommittee at the time this project was explored last week, to hear the many witnesses that the State of California brought to Washington to testify. I was very much impressed at the time with the excellence of the project, with the example it gives of the possibility of effective collaboration between the State government and the Federal Government, and also with the probing questions that were addressed to the text of the bill by the distinguished senior Senator from Wyoming. I think he rendered a very real service in strengthening the language, in clarifying points that were obscure and subject to serious question, and that his work is reflected in the final text as it appears before the whole committee today.

I commend him for that and also the senior Senator from California for the excellent summation he has given the committee.

I think it is a very worthy project, and I would like to move that the committee report it out favorably.

Senator KUCHEL. I gratefully appreciate what my friend has said, and I want to join with him in his comments with respect to my friend from Wyoming because he did perform an invaluable service. Beyond that let me say this is an example, I think, of where partnership between two public agencies represents a real opportunity for progress and a real example which I hope will be followed in other instances.

Senator O'MAHONEY. I think it stands a very, very fine chance of establishing a very fine precedent.

Senator KUCHEL. Once again I think my friend from Wyoming.

Let me second the motion, and, in doing so, say that I look forward, to the help of you gentlemen on the floor. The bill did pass a year ago. I would like to see it pass again, and then, more important, I would like and hope that this time it might pass the House of Representatives.

Senator CARROLL. Just one question, Mr. Chairman.

Senator Church mentioned the hearings of last week or the week before.

Is there ample testimony in the record, in our reports? This is a large sum of money, and I think it would be wise for us to have the testimony of last week, or, if necessary, incorporate the testimony from other hearings.

Do you think there is adequate testimony in the testimony now?

Senator KUCHEL. Yes, I do, although we have copies of the hearings of last year available which were incorporated in our proceedings by reference. I think a fairly clear picture was developed in our hearings this year.

Mr. LINEWEAVER. May I just, for Senator Carroll's information, say that the previous hearings—last year and the year before—were incorporated in the record last week by reference, so that the committee has the complete story.

Senator KUCHEL. May I ask unanimous consent that in the report of S. 44 there be included the colloquy which occurred this morning between the Senator from New Mexico, the Senator from Wyoming, the Senator from Idaho, the Senator from Colorado, and the Senator from California?

The CHAIRMAN. It is so ordered.

You have heard the motion. Those in favor of reporting S. 44 signify by saying "Aye?"

Opposed?

The "Ayes" have it, and it is reported unanimously with the amendments.

Senator Kuchel will make the report.

Senator O'MAHONEY. Mr. Chairman, I understand that the request of the Senator from California for inclusion in the report covers the interrogation of the Senator by me also.

Senator KUCHEL. Oh, yes; let us be a little liberal on that.

The CHAIRMAN. The entire colloquy will be printed as an appendix to the report on S. 44.

○

The first of these is the fact that the medical profession is not a homogeneous group. There are many different types of physicians, each with his own special interests and his own methods of practice. The second is the fact that the medical profession is not a closed shop. It is open to all who are qualified to practice medicine. The third is the fact that the medical profession is not a monopoly. It is a free enterprise, and it is subject to the same laws and regulations as any other business.

The fourth is the fact that the medical profession is not a profession in the strict sense of the word. It is a business, and it is subject to the same laws and regulations as any other business. The fifth is the fact that the medical profession is not a service. It is a business, and it is subject to the same laws and regulations as any other business. The sixth is the fact that the medical profession is not a public utility. It is a business, and it is subject to the same laws and regulations as any other business.

The seventh is the fact that the medical profession is not a natural monopoly. It is a business, and it is subject to the same laws and regulations as any other business. The eighth is the fact that the medical profession is not a public good. It is a business, and it is subject to the same laws and regulations as any other business. The ninth is the fact that the medical profession is not a public service. It is a business, and it is subject to the same laws and regulations as any other business.

The tenth is the fact that the medical profession is not a public utility. It is a business, and it is subject to the same laws and regulations as any other business. The eleventh is the fact that the medical profession is not a public good. It is a business, and it is subject to the same laws and regulations as any other business. The twelfth is the fact that the medical profession is not a public service. It is a business, and it is subject to the same laws and regulations as any other business.

86TH CONGRESS
1ST SESSION

S. 44

[Report No. 154]

IN THE SENATE OF THE UNITED STATES

JANUARY 9 (legislative day, JANUARY 8), 1959

Mr. KUCHEL (for himself and Mr. ENGLE) introduced the following bill; which was read twice and referred to the Committee on Interior and Insular Affairs

APRIL 8, 1959

Reported by Mr. KUCHEL, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the principal purpose of furnishing water for the
4 irrigation of approximately five hundred thousand acres of
5 land in Merced, Fresno, and Kings Counties, California, *here-*
6 *inafter referred to as the Federal San Luis unit service area,*
7 and as incidents thereto of furnishing water for municipal and
8 domestic use and providing recreation and fish and wildlife

1 benefits, the Secretary of the Interior (hereinafter referred
2 to as the Secretary) is authorized to construct, operate, and
3 maintain the San Luis unit as an integral part of the Central
4 Valley project. The principal engineering features of said
5 unit shall be a dam and reservoir at or near the San Luis
6 site, a forebay and afterbay, the San Luis Canal, the Pleas-
7 ant Valley Canal, and necessary pumping plants, distribution
8 systems, drains, channels, levees, flood works, and related
9 facilities. The works of *the San Luis unit* (hereinafter
10 referred to as joint-use facilities) for joint use with the State
11 of California (hereinafter referred to as the State) shall be
12 the dam and reservoir at or near the San Luis site, forebay
13 and afterbay, pumping plants, and the San Luis Canal. Those
14 ~~joint-use facilities may be constructed to permit future~~
15 ~~expansion, and upon agreement by the State or some other~~
16 ~~public agency to equitably share the costs as later provided in~~
17 ~~this Act, shall either be so constructed or~~ *The joint-use facili-*
18 *ties consisting of the dam and reservoir shall be constructed,*
19 *and other joint-use facilities may be constructed so as to*
20 *permit future expansion; or the joint-use facilities shall be*
21 *constructed initially to the capacities necessary to serve both*
22 *the Federal San Luis unit service area and the State's service*
23 *area as hereinafter provided.* In constructing, operating,
24 and maintaining the San Luis unit, the Secretary shall be
25 governed by the Federal reclamation laws (Act of June 17,

1 1902, 32 Stat. 388, and Acts amendatory thereof or supple-
2 mentary thereto) except so far as the provisions thereof are
3 inconsistent with this Act. Construction of the San Luis unit
4 shall not be commenced until the Secretary has (1) secured,
5 or has satisfactory assurance of his ability to secure, all rights
6 to the use of water which are necessary to carry out the
7 purposes of the unit and the terms and conditions of this
8 Act, and (2) received satisfactory assurance from the State
9 of California that it will make provision for a master drainage
10 outlet and disposal channel for the San Joaquin Valley; as
11 generally outlined in the California water plan, Bulletin Num-
12 bered 3, of the California Department of Water Resources,
13 which will adequately serve, by connection therewith, the
14 drainage system for the San Luis unit ~~or has otherwise made~~
15 ~~provision, in accordance with section 4 of this Act, for meet-~~
16 ~~ing the drainage requirements of the San Luis unit or has~~
17 *made provision for constructing the San Luis interceptor*
18 *drain to the delta designed to meet the drainage requirements*
19 *of the San Luis unit as generally outlined in San Luis*
20 *project report by the Bureau of Reclamation of May 1955, as*
21 *transmitted to the Congress by the Secretary of the Interior,*
22 *December 17, 1956.*

23 SEC. 2. The Secretary is authorized, on behalf of the
24 United States, to negotiate and enter into an agreement
25 with the State of California providing for coordinated opera-

tion of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the *Federal San Luis unit* service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956. The Secretary shall not commence construction of the San Luis unit, except for the preparation of designs and specifications and other preliminary work, until the execution of such an agreement between the United States and the State, but if such an agreement has not been executed by ~~July 1, 1960~~ *January 1, 1962*, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided*, That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight

1 to any relevant affirmative action theretofore taken by the
2 State, including the enactment of State legislation authoriz-
3 ing the State to acquire and convey to the United States
4 title to lands to be used for the San Luis unit or assistance
5 given by it in financing Federal design and construction of
6 the unit. The authority conferred upon the Secretary by
7 the first sentence of this section shall not, except as is other-
8 wise provided in this section, be construed as a limitation
9 upon the exercise by him of the authority conferred in
10 section 1 of this Act, but if the State *shall agree equitably*
11 *to share the total cost of constructing the joint-use facilities*
12 *and as a part of its share* shall make available to the Secre-
13 tary sufficient funds to pay the additional cost of designing
14 and constructing the joint-use facilities so as to permit en-
15 largement, it shall have an irrevocable right to enlarge or
16 modify such facilities at any time in the future, and a
17 perpetual right to the use of such additional capacity: *Pro-*
18 *vided*, That the performance of such work by the State,
19 after approval of its plans by the Secretary, shall be so
20 carried on as not to interfere *unduly* with the operation
21 of the project for the purposes set forth in section 1 of
22 this Act: *And provided further*, That this right may be
23 relinquished by the State at any time at its option.

1 SEC. 3. The agreement between the United States and
2 the State referred to in section 2 of this Act shall provide,
3 among other things, that—

4 (a) the joint use facilities to be constructed by the
5 Secretary shall be so designed and constructed to such
6 capacities and in such manner as to permit either (i)
7 immediate integration and coordinated operation with
8 the State's water projects by providing, among other
9 things, a capacity in San Luis Reservoir of approxi-
10 mately two million one hundred thousand acre-feet and
11 corresponding capacities in the other joint-use facilities
12 or (ii) such subsequent enlargement or other modifica-
13 tion as may be required for integration and coordinated
14 operation therewith;

15 (b) the State shall make available to the Secretary
16 during the construction period sufficient funds to pay an
17 ~~appropriate~~ *equitable* share of the construction costs of
18 any facilities designed and constructed as provided in
19 paragraph (a) above. The State contribution shall be
20 made in annual installments, each of which bears ap-
21 proximately the same ratio to total expenditures during
22 that year as the total of the State's share bears to the
23 total cost of the facilities; the State may make advances
24 to the United States in order to maintain a timely con-

1 construction schedule of the joint use facilities and the works
2 of the San Luis unit to be used by the State and the
3 United States;

4 (c) the State may at any time after approval of
5 its plans by the Secretary and at its own expense enlarge
6 or modify San Luis Dam and Reservoir and other facilities
7 to be used jointly by the State and the United States,
8 but the performance of such work shall be so carried
9 on as not to interfere *unduly* with the operation of the
10 San Luis unit for the purposes set forth in section 1 of
11 this Act;

12 (d) the United States and the State shall each pay
13 annually an ~~appropriate~~ *equitable* share of the operation,
14 maintenance and replacement costs of the joint use
15 facilities;

16 (e) promptly after execution of this agreement be-
17 tween the Secretary and the State, and for the purpose
18 of said agreement, the State shall convey to the United
19 States title to any lands, easements, and rights-of-way
20 which it then owns and which are required for the joint
21 use facilities. The State shall be given credit for the
22 costs of these lands, easements, and rights-of-way toward
23 its share of the construction cost of the joint use facilities.
24 The State shall likewise be given credit for any

1 funds advanced by it to the Secretary for preparation of
2 designs and specifications or for any other work in con-
3 nection with the joint use facilities;

4 (f) the rights to the use of capacities of the joint
5 use facilities of the San Luis unit shall be allocated to
6 the United States and the State, respectively, in such
7 manner as may be mutually agreed upon. The United
8 States shall not be restricted in the exercise of its right
9 so allocated, which shall be sufficient to carry out the
10 purposes of section 1 of this Act and which shall extend
11 throughout the repayment period and so long thereafter
12 as title to the works remains in the United States. The
13 State shall not be restricted in the exercise of its allo-
14 cated right to the use of the capacities of the joint use
15 facilities for water service outside the *Federal* San Luis
16 unit service area.

17 (g) the Secretary may turn over to the State the
18 care, operation, and maintenance of any works of the
19 San Luis unit which are used jointly by the United
20 States and the State at such time and under such con-
21 ditions as shall be agreed upon by the Secretary and
22 the State;

23 (h) Notwithstanding transfer of title or of the care,
24 operation, and maintenance of any works to the State,
25 as hereinbefore provided, any organization which has

1 theretofore entered into a contract with the United
2 States under the Reclamation Project Act of 1939 for a
3 water supply through the works of the San Luis unit, in-
4 cluding joint use facilities, shall continue to have and to
5 enjoy the same rights which it would have had under
6 its contract with the United States and the provisions
7 of paragraph (4) of section 1 of the Act of July 2,
8 1956 (70 Stat. 483, 43 U.S.C. 485h-1), in the absence
9 of such transfer, and its enjoyment of such rights shall
10 be without added cost or other detriment arising from
11 such transfer;

12 (i) if a nonreimbursable allocation to the preserva-
13 tion and propagation of fish and wildlife has been made
14 as provided in section 2 of the Act of August 14, 1946
15 (60 Stat. 1080, 16 U.S.C. 662), *as amended*, the fea-
16 tures of the unit to which such allocation is attributable
17 shall, notwithstanding transfer of title or of the care,
18 operation, and maintenance to the State, be operated and
19 maintained in such wise as to retain the bases upon
20 which such allocation is premised and, upon failure so to
21 operate and maintain those features, the amount allo-
22 cated thereto shall become a reimbursable cost to be
23 paid by the State.

24 SEC. 4. In constructing, operating, and maintaining
25 a drainage system for the San Luis unit, the Secretary is

1 authorized to permit the use thereof by other parties under
2 contracts conforming generally to the provisions of the
3 Federal reclamation laws with respect to irrigation repay-
4 ment or service contracts and is further authorized to enter
5 into agreements and participate in construction and operation
6 of drainage facilities designed to serve the general area of
7 which the lands to be served by the San Luis unit are a part,
8 to the extent the works authorized in section 1 of this Act
9 contribute to drainage requirements of said area. The Secre-
10 tary is also authorized to permit the use of the irrigation
11 facilities of the San Luis unit, including its facilities for sup-
12 plying pumping energy, under contracts entered into pur-
13 suant to section 1 of the Act of February 21, 1911 (36
14 Stat. 925, 43 U.S.C. 523).

15 SEC. 5. The Secretary is authorized, in connection with
16 the San Luis unit, to construct minimum basic public recrea-
17 tional facilities and to arrange for the operation and main-
18 tenance of the same by the State or an appropriate local
19 agency or organization. The cost of such facilities shall be
20 nonreturnable and nonreimbursable under the Federal recla-
21 mation laws.

22 SEC. 6. (a) *The provisions of the Federal reclamation*
23 *laws shall not be applicable to water deliveries or to the use*
24 *of drainage facilities serving lands under contract with the*
25 *State to receive a water supply, outside of the Federal San*

1 *Luis unit service area described in the report of the Depart-*
2 *ment of the Interior, entitled "San Luis Unit, Central Val-*
3 *ley Project", dated December 17, 1956.*

4 *(b) The Secretary is authorized to provide Central Val-*
5 *ley project service, by way of the Pacheco Tunnel route, to*
6 *lands and municipalities in Santa Clara, San Benito, Santa*
7 *Cruz, and Monterey Counties: Provided, That construction*
8 *of the works to provide such service shall not be undertaken*
9 *until a report demonstrating their physical and economic*
10 *feasibility has been completed, reviewed by the State, and*
11 *approved by the Secretary and by the Congress, and in no*
12 *event prior to July 1, 1964, unless, in the meantime, the*
13 *Governor of the State of California shall have notified the*
14 *Secretary that the State approves the construction of such*
15 *works by the United States.*

16 SEC. 6 7. There is hereby authorized to be appropriated
17 for construction of the works of the San Luis unit, including
18 joint use facilities, authorized by this Act, other than dis-
19 tribution systems and drains, the sum of \$290,430,000, plus
20 such additional amount, if any, as may be required by reason
21 of changes in costs of construction of the types involved in
22 the San Luis unit as shown by engineering indexes. There
23 are also authorized to be appropriated, in addition thereto,
24 such amounts as are required (a) for construction of such
25 distribution systems and drains as are not constructed by

1 local interests, and (b) for operation and maintenance of
 2 the unit. All moneys received by the Secretary from the
 3 State under this Act shall be covered into the same accounts
 4 as moneys appropriated hereunder and shall be available,
 5 without further appropriation, to carry out the purposes of
 6 this Act.

86TH CONGRESS
1ST SESSION

S. 44

Calendar No. 141

[Report No. 154]

A BILL

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

By Mr. KUCHEL and Mr. ENGLE

JANUARY 9 (legislative day, JANUARY 8), 1959
 Read twice and referred to the Committee on Interior
 and Insular Affairs

APRIL 8, 1959

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE
(For Department
Staff Only)

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HIGHLIGHTS: Senate passed bill for discontinuance of certain reports to Congress.
Senate passed over bill to authorize rental of cotton acreage allotments. Sen.
Clark introduced and discussed bill to reorganize system of personnel administra-
tion.

SENATE

1. REPORTS. Passed as reported S. 899, to provide for the discontinuance of certain reports now required by law to be submitted to Congress, including reports of this Department (see Digest 51 for a summary of the bill as reported). pp. 5069-70
2. COTTON. At the request of Sen. Johnson, passed over S. 1455, to authorize the rental of cotton acreage allotments. Sen. Johnson announced that the bill will be called up for consideration as soon as possible. p. 5063
3. FORESTRY. Sen. Bennett commended the report submitted by this Department, "Program for the National Forests," as being of the "utmost consequence to the entire Nation and particularly to future generations," and inserted an article commending the report. pp. 5082-3

4. CUSTODIAL SERVICES. Passed without amendment S. 901, to amend the Federal Property and Administrative Services Act of 1949 so as to authorize GSA to make contracts for cleaning and custodial services for periods not to exceed 5 years. p. 5067
5. PERSONNEL. At the request of Sen. Morton, passed over S. 91, to limit to cases involving the national security the prohibition against payment of retirement annuities. p. 5069
6. PROPERTY. Passed without amendment S. 900, to amend the Federal Property and Administrative Services Act of 1949 so as to extend the authority of GSA to pay direct expenses in connection with the utilization of excess real property and related personalty. pp. 5066-7
Sen. Wiley urged early consideration of S. 910, to authorize payment to local communities in lieu of taxes on federally owned property, and inserted a letter commending his support of the bill. pp. 5024-5
7. LAMB GRADING. Sen. Moss commended the Department for calling a conference April 17 "to discuss demands of lamb producers that Federal grading of lamb be discontinued," and inserted an address by the president of the National Wool Growers Assoc. discussing the matter. pp. 5045-6
8. FOREIGN TRADE; SURPLUS COMMODITIES. Sen. Humphrey urged amendment of the Battle Act so as to permit the use in Poland of foreign currencies accumulated under Public Law 480, and inserted a letter from the State Department discussing the situation. pp. 5029-31
9. UNEMPLOYMENT. Passed with amendment S. 1631, to provide for the establishment of a commission to study and report on unemployment problems. pp. 5073-4
Sen. Javits urged enactment of legislation to aid the unemployment situation, including bills on housing, area redevelopment, and unemployment compensation. pp. 5039-40
10. AREA REDEVELOPMENT. Sen. Randolph inserted and commended several articles favoring enactment of area redevelopment legislation. pp. 5054-6
11. LIVESTOCK RESEARCH. Sen. Case commended the "highly successful Florida experiment which may provide the key for controlling at least two of our worst cattle pests in this country -- the screw-worm and the heel fly," and urged this Department to expedite its research in this field. pp. 5028-9
12. FOREIGN AID. Sen. Proxmire inserted an address by William Benton, "The Soviet Economic Challenge," discussing the danger of the Russian foreign aid program. pp. 5020-4
13. BUDGET. Sen. Goldwater expressed concern over Federal expenditures, and urged that the budget be balanced. pp. 5075-8
14. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment S. 994, to authorize the construction of the Spokane Valley project, Wash., and Idaho (S. Rept. 156). p. 5008
Passed over, at the request of Sen. Morton, S. 44, to authorize the construction of the San Luis unit of the Central Valley project, Calif. p. 5073
15. EGGS. Sen. Langer expressed concern over "the low price of eggs" stating that farmers are receiving 18 cents a dozen for first-grade eggs. p. 5008

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, was announced as next in order.

Mr. MORTON. Let the bill go over.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

Mr. ANDERSON. Mr. President, I realize that Calendar No. 141, S. 44, and Calendar No. 142, S. 72, relating to the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project, are not measures which should be considered on a call of the calendar; but I express the hope that the leadership will bring them up quickly. The senior Senator from California [Mr. KUCHEL] has been most vigorous in respect to Senate bill 44, as has the junior Senator from California [Mr. ENGLE]. Nothing would please me better than to see the bill passed, but it should not be passed on a call of the consent calendar. I quite agree that Calendar Nos. 131 and 142 should go over, but I hope these bills may be called up at an early date, after notice to the Senate.

Mr. MORSE. Mr. President, speaking to these two bills, and calling the attention of the Senator from California to these remarks, I express the hope that the bills will be taken up by motion. I hope, however, we shall be given a few days notice, for the very selfish reason that I am in the midst of trying to complete a study of all the implications of these bills, following which I hope to consult the two Senators from California, because it might be possible to reach a complete mutual understanding with regard to S. 44. But at least I should like to have the favor extended to me, and to some other Members of the Senate who are interested in it, of being given a little time to complete our study. Frankly, we have two authorities in this field in California working with us. We have been corresponding with them about it. We are interested merely in getting all the facts. Perhaps we can come to a mutual understanding. I think that in 10 days we will be ready to have action taken on the bill.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. Yes. I have concluded.

Mr. KUCHEL. I see my able colleague from California [Mr. ENGLE] is present. Let me say, without having consulted him, that I am sure he and I both would not want even to attempt to have the bill scheduled for consideration if our colleague from Oregon or any other Senator wanted time to study it. But I should like to say for the record, that this bill is almost word for word the same bill which passed the Senate a year ago, as the Senator from Oregon may recall, and on which we had a rather detailed colloquy. It is a bill which has been reported unanimously by the Senate Committee on Interior and Insular

Affairs, as my colleague from New Mexico [Mr. ANDERSON] has suggested. I sincerely hope it may be given prompt consideration by the Senate, so that the House of Representatives may then proceed to dispose of it one way or the other.

On that basis, if my able colleague, the now acting majority leader [Mr. ENGLE], would indicate agreement, I shall have no objection to having the bill go over until sometime next week.

Mr. ENGLE. Mr. President, the bill has gone over. I understand the distinguished Senator from Oregon requested 10 days. Is that correct?

Mr. MORSE. I think we need about 10 days.

Mr. ENGLE. We hope it will not take too long, but, insofar as consulting with the Senator is concerned, a satisfactory day will be arrived at after consultation with the Senator from New Mexico and the majority leader.

COMMISSION ON UNEMPLOYMENT PROBLEMS

Mr. JOHNSON of Texas. Mr. President, there is at the desk and also before the Committee on Labor and Public Welfare a bill relating to the establishment of a Commission on Unemployment Problems. The Senator from Alabama [Mr. HILL], the chairman of the Committee on Labor and Public Welfare, and the Senator from Arizona [Mr. GOLDWATER], the ranking minority member, are present.

Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from the further consideration of S. 1631, and that the Senate proceed to its consideration.

I have a brief statement I desire to make in this regard.

The PRESIDING OFFICER (Mr. HARTKE in the chair). The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1631) to provide for the establishment of a Commission on Unemployment Problems.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?—The Chair hears none; and the Committee on Labor and Public Welfare is discharged from the further consideration of the bill. Is there objection to its present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I am asking that this bill be brought up today because there is a time factor of great urgency.

This bill seeks to bring before the Congress and the public at the earliest possible moment the facts of unemployment. And since we must act upon those facts, there should be as little delay as possible in bringing them forth.

We all know the statistics. They have been published in the newspapers and have dominated many of the headlines of the past week.

But statistics in this instance do not convey a true picture. They merely provide material for academic arguments on

economic forces. And people who are out of work do not want academic arguments—they want jobs.

This bill has registered broad and bipartisan support in this Senate. The people who are out of work are both Democrats and Republicans. I believe Members of both parties in this chamber want to act.

In that spirit, the commission that would be created by this resolution would be drawn both from industry and labor.

The bill would direct the Commission members to go to the centers of abnormal unemployment. They would be asked to weigh and feel the conditions that pervade those areas.

And then they would be asked to come back here in 60 days with recommendations for action.

Personally, I do not regard this Commission as merely another "study group." I look upon it as a prelude to action. It is a necessary prelude because of the peculiar nature of the unemployment problem which confronts our country.

To the great majority of Americans, these are good times. Unemployment is concentrated in certain areas. It does not run through every region of the land.

But to 4½ million of our fellow countrymen, it is a deep, personal tragedy. It means living below levels of decency and self-respect; facing every morning families which cannot be supported adequately; finding self-confidence slipping away.

These people do not take comfort from statistics which show that a small number of their companions in misery have finally found jobs. Statistics have never yet been able to feed a family and put clothes on their backs.

Men and women who are out of work cannot wait. This resolution is not a 60-day moratorium on legislative action. It is an effort to bring the facts to public attention and to find out what further steps we can take.

Mr. President, so long as there is one American able and willing to work but unable to find a job, that is one too many. It is a matter of the deepest public concern.

If we act now, I have hopes that all the necessary legislative action can be completed early. And I think we must do everything we can to clear the decks.

I hope this bill can be adopted as evidence of our united determination that 4½-million Americans will not become 4½-million forgotten men and women.

Mr. President, I have discussed this matter with the minority leader, who is a sponsor, with a majority of the Members of the Committee on Labor and Public Welfare, and with the distinguished chairman of that committee. I am informed that if the Senate can take action today perhaps action can be obtained in the other body at an early date.

Mr. DIRKSEN rose.

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, first because of the number of sponsors, and, second, because in the eyes of the public

this measure is very important, I have no objection to the immediate consideration of the bill. I know, of course, that by so doing we shall bypass the committee. Under the circumstances, since the proposal is for a fact-finding body, and in view of the fact that in my discussions with the majority leader he was agreeable to some amendatory language in the bill, I have no objection to the immediate consideration of the bill.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. WILEY. As I heard the statement, I understand what is proposed is virtually that the commission shall go to the centers of unemployment to hold what we might call a clinic to ascertain some of the answers to the problem. Is there also imposed upon the commission a duty of making recommendations, in case vast sums of money are necessary, to increase taxes in certain directions?

Mr. JOHNSON of Texas. No. The bill does not anticipate what the recommendations will be. If the recommendations contemplate vastly increased sums of money, we would naturally face that problem when the recommendations are submitted.

The bill provides:

The Commission shall make a full and complete investigation and study of unemployment conditions in the United States, giving particular consideration to areas of critical unemployment, for the purpose of determining what can be done to alleviate such conditions.

Specifically I should say this refers to areas such as West Virginia, Kentucky, Pennsylvania, and perhaps Detroit and some other areas I have not named. But those mentioned are some of the most critical unemployment areas.

This study would be for the purpose of determining what can or should be done to alleviate unemployment conditions. I do not seek to anticipate the findings. Instead of having a dozen groups holding hearings, I should like to have one expert group, made up of members appointed by the legislative and executive branches of the Government.

The Commission is called upon to submit, within 60 days after the date of its appointment, findings and recommendations to the President, and the President in turn will transmit those recommendations to the Congress.

Mr. WILEY. They would not be precluded from making recommendations?

Mr. JOHNSON of Texas. Not at all.

Mr. WILEY. With respect to ascertaining additional sources of revenue to take care of these situations.

Mr. JOHNSON of Texas. No.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I offer an amendment to strike out section 2(a) and to substitute the provision which I ask to have stated.

The PRESIDING OFFICER. This amendment will be stated for the information of the Senate.

The CHIEF CLERK. It is proposed to strike out section 2(a) and to insert in lieu thereof the following.

SEC. 2. (a) The Commission shall be composed of eleven members as follows:

(1) Three appointed by the Speaker of the House of Representatives;

(2) Three appointed by the President of the Senate; and

(3) Five appointed by the President of the United States, not more than two of whom shall be appointed from either agriculture, labor or industry and not more than three of whom shall come from either political party.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1631) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF THE COMMISSION

SECTION 1. There is hereby established a commission to be known as the Commission on Unemployment Problems (hereinafter referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 2. (a) The Commission shall be composed of eleven members as follows:

(1) Three appointed by the Speaker of the House of Representatives;

(2) Three appointed by the President of the Senate; and

(3) Five appointed by the President of the United States, not more than two of whom shall be appointed from either agriculture, labor, or industry and not more than three of whom shall come from either political party.

(b) The members of the Commission shall select a Chairman and a Vice Chairman.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Six members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. sec. 99).

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall make a full and complete investigation and study of unemployment conditions in the United States, giving particular consideration to areas of critical unemployment for the purpose of determining what can be done to alleviate such conditions.

(b) The Commission shall submit, within sixty days after the date on which all appointments to the Commission as provided for in this Act have been made, its findings and recommendations to the President for transmittal to the Congress.

(c) The Commission shall cease to exist thirty days after submission to the President of its report and recommendations.

POWERS OF THE COMMISSION

SEC. 4. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C. secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this Act; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman, or the Vice Chairman when acting as Chairman.

APPROPRIATIONS, EXPENSES, AND PERSONNEL

SEC. 5. (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

(b) Each member of the Commission shall receive \$50 per diem when engaged in the performance of duties vested in the Commission, except that no compensation shall be paid by the United States, by reason of service as a member, to any member who is receiving other compensation from the Federal Government, or to any member who is receiving compensation from any State or local government.

(c) Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(d) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(e) The Commission may procure, by contract or otherwise, the services of public or private organizations or institutions.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HILL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama [Mr. HILL] to lay on the table the motion of the Senator from Texas [Mr. JOHNSON] to reconsider.

The motion to reconsider was laid on the table.

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent that S. 1631 as passed be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

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14. RECLAMATION. At the request of Sen. Keating, ^{passed over} S. 44, to authorize Interior to construct the San Luis unit of the Central Valley project, Calif., and S. 994, to authorize Interior to construct the Spokane Valley project, Wash. p. 6262
15. NATURAL RESOURCES. Sen. Humphrey inserted and commended a report of the Public Affairs Institute, "Natural Resources, Their Protection and Development." pp. 6312-3
16. WATER POLLUTION. Sen. Humphrey spoke in favor of extending the water pollution control program, and inserted an article discussing the program. pp. 6313-4
17. FOREIGN AID. Sen. Wiley commended the holding of the United States-India conference on economic cooperation on May 4 and 5, and inserted the agenda for the conference which includes a discussion of agricultural development. pp. 6260-1
- Sen. Mansfield inserted a Wall Street Journal editorial, "A Proposal on Foreign Aid," presenting its recommendations on the foreign aid program. pp. 6281-2
- FORESTRY. Sen. Neuberger inserted an article announcing that the Advisory Board on National Parks had recommended the inclusion of eight new areas in the National Park System, including Oregon Dunes, Ore., and the Wheeler Peak-Lehman Caves region of the Snake River in Nev. pp. 6258-9
19. LANDS; RECLAMATION. Both Houses received from Interior a report that an adequate soil survey and land classification has been made of the lands in the Mercedes Division, lower Rio Grande rehabilitation project, Tex., and that the lands to be irrigated are susceptible to the production of agricultural crops by irrigation. pp. 6252; 6399
20. LEGISLATIVE PROGRAM. Sen. Johnson announced that the following bills will be considered after the second supplemental appropriation bill: S. 690, research on increased use of agricultural products for industrial purposes; S. 1289, extension of special milk program; S. 753, bargaining by cooperative associations of milk producers; and S. 994, construction of Spokane Valley reclamation project. p. 6305

ITEMS IN APPENDIX

21. SOIL CONSERVATION. Extension of remarks of Sen. Wiley inserting a letter from M. F. Schweers, State conservationist, SCS, pointing out highlights of the "outstanding accomplishment in soil and water conservation practices in Wisc." p. A3538
22. COTTON. Rep. Whitener inserted his statement before the Tariff Commission opposing any action that might be taken to reduce our present import quota on extra long staple cotton. pp. A3540-1
23. ELECTRIFICATION. Rep. Santangelo commended REA programs and inserted remarks describing the development and continued expansion of REA programs in the U. S. Latin America and Puerto Rico. pp. A3542-4
- Extension of remarks of Rep. Santangelo stating that "many people feel that the wonderful accomplishments of rural electrification should not be interefered with and that there is no place in politics in the administration of the ... program," and inserted Clyde T. Ellis' recent speech. pp. A3559-61
- Rep. Nelsen inserted two editorials favoring the President's veto of the REA loan approval bill. pp. A3566, A3568

24. CORN. Extension of remarks of Rep. Hoeven commending this Department's corn-starch research program. pp. A3547-8
25. FAIR TRADE. Rep. Dingell inserted 2 editorials, "Justice Department Opposes Federal Fair Trade Law," and "Skip the Price Fixing" opposing the proposed fair trade bill. pp. A3568-9, A3571
26. DAIRY INDUSTRY. Rep. O'Hara inserted an editorial, "Monopoly in the Milkshed," discussing the "legal battle" between the Government and the dairy corporations over who controls the American milkshed, and stating that "Congress should enact new legislation calculated to bring economic justice to the dairy industry." pp. A3575-7

BILLS INTRODUCED

27. EXHIBITS. S. 1827, by Sen. Humphrey, to amend the International Cultural Exchange and Trade Fair Participation Act of 1956 to authorize the President to provide for participation by foreign governments and citizens of other countries in artistic and cultural activities in the United States; to Foreign Relations Committee.
28. BUILDINGS. H. R. 6782, by Rep. Cramer, to provide for the construction, alteration, and acquisition of public buildings of the Federal Government; to Public Works Committee.
29. MILK. H. R. 6784, by Rep. Flynn, to provide for mandatory price support through the marketing year ending in 1964 for milk used in manufacturing dairy products and for butterfat; to maintain the productive capacity of our dairy farming industry; to promote the orderly marketing of an adequate national supply of milk and dairy products; to encourage increased domestic consumption of dairy products in the interests of national health and security; to Agriculture Committee.
30. WHEAT QUOTAS. H. R. 6793, by Rep. Rogers, Tex., to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty; to Agriculture Committee.
31. FLOWERS. H. J. Res. 357, by Rep. Irwin, designating the mountain laurel as the national flower of the United States; to House Administration Committee.

BILL APPROVED BY THE PRESIDENT

32. TRADE FAIRS. H. R. 5508, to provide permanent legislation permitting the free entry under bond of imported articles for exhibition or use at fairs designated by the Secretary of Commerce. Approved April 22, 1959 (Public Law 86-14, 86th Congress).

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COMMITTEE HEARINGS ANNOUNCEMENTS:

Apr. 30: Poultry and egg situation, H. Agriculture (Miller, AMS, and Strobel, FAS, to testify).

Wheat bills, S. Agriculture (exec).

Employee health insurance bill, S. Civil Service.

Fair trade bill, H. Interstate (exec).

Suspension of employees in interest of national security, H. Civil Service.

Remarks by the Chairman, the Honorable HUBERT HUMPHREY, U.S. Senator from Minnesota; Roundtable talk: India and American Opinion: Myth and Fact", an informal roundtable discussion by a group of leading American and Indian writers and commentators, Miss Barbara Ward (Lady Jackson); William Stringer, the Christian Science Monitor; Lawrence Spivak, producer, "Meet the Press"; Harold Isaacs, author of "Scratches on the Mind"; Frank Moraes, editor, Express Newspapers of India.

2-2:15 p.m.: Recess.

2A. "Tradition and Change": Prof. W. Norman Brown, University of Pennsylvania (chairman); Prof. Milton Singer, University of Chicago; Prof. K. S. Nilakanta Sastri, University of Chicago; Dr. B. B. Misra, University of Wisconsin; Dr. Flemmie P. Kittrell, Howard University; Dr. Richard B. Gregg, author.

3A. "Private Enterprise in India": Matthew Kust, lawyer and author (chairman); Arthur Phillips, general counsel, Godfrey Cabot, Inc.; J. Delano Hitch, president, the Dorr-Oliver Co.; C. S. Krishna Moorthi, counselor, Commission General for Economic Affairs of India; P. Chentsa Rao, secretary, Federation of Indian Chambers of Commerce and Industry.

4A. "External Assistance to India": Prof. Max Millikan, Massachusetts Institute of Technology (chairman); Prof. Arthur Smithies, Harvard University; I. G. Patel, International Monetary Fund; Frederick L. Holborn, legislative assistant to Senator KENNEDY; Hart Perry, the Development Loan Fund; Geoffrey Wilson, U.K. Treasury and Supply Mission.

5A. "The Community Development Program": Albert Mayer, architect and town planner (chairman); Dr. Carl Taylor, consultant in rural development; Prof. Richard L. Park, University of California; Dr. Asoka, Mehta, M.P., New Delhi; Jack Gray, Texas A. & M.; Dr. Arthur Mosher, Council on Economic and Cultural Affairs.

6A. "Problems of Labor and Management in India's Development": Prof. Charles A. Myers, Massachusetts Institute of Technology; Hon. George Lodge, Assistant Secretary of Labor; Prof. Van Dusen Kennedy, University of California; Dr. Subbiah Kannappan, University of Chicago; Prof. Morris D. Morris, University of Washington; Mr. Harry Pollack, AFL-CIO.

RETIREMENT OF GEORGE E. BIGGE

Mr. GREEN. Mr. President, tomorrow, April 30, George E. Bigge will retire from his position as Special Assistant on Federal-State Problems to the Secretary of the Department of Health, Education, and Welfare. With his education, training, and experience in social security matters, he has contributed much to the administration of our social-security program, and I trust his retirement will be only from the Department and not from the fields of social security in which he is so well versed.

Mr. Bigge was born in Michigan, and taught in rural schools there before going to the University of Michigan. He received a doctor's degree in economics and taught at the university.

Moving on to Brown University as a professor of economics, he later became head of the department of economics. While at the university, he served on various public boards. As Governor of the State, I appointed him to the commission on interstate compacts affecting industry and labor, and, also, on the cotton textile industrial relations board. He also served as a consultant to the

commission I selected to draft the first unemployment compensation law for Rhode Island. When that legislation was enacted I appointed him as the first chairman of the unemployment compensation board.

In 1937 I recommended George Bigge to the late President Roosevelt for appointment as a member of the Social Security Board to succeed the former and late Governor Winant of New Hampshire. He then served on the Social Security Board during its formative years to 1946 and contributed importantly to its sound development. As Director of Federal-State relations for the Federal Security Agency from 1947 to 1953, and as Special Assistant for Federal-State Relations in the Department of Health, Education, and Welfare since 1953, his sound judgment and wise counsel have been of great value. His consistent interest has strengthened Federal-State grant-in-aid programs throughout the country. He served as a departmental representative in the work of the Commission on Intergovernmental Relations and made a significant contribution to its deliberations.

During 1945 and 1946 he served as consultant on social security with American Military Government in Germany. In fact, throughout the years of his Government service he has shown his interest not only in all aspects of health, welfare, and social insurance in this country, but, also, in those of other countries of the world.

George Bigge's intellectual integrity, his breadth of knowledge, and his consideration for others, have won him the esteem of his associates. His qualities of character and his devoted public service warrant public recognition.

I know that all of us wish Mr. Bigge happiness in his retirement, and trust that his services will be available to those of us who are interested in social-security matters.

HISTORIC MILESTONE IN PACIFIC TRAVEL

Mr. MAGNUSON. Mr. President, this is a historic day for our Pacific rim nations.

The 50,000th flight of a Pan American *Clipper* takes off today for Honolulu, Guam, and Manila.

Hundreds of thousands who have flown this route since it was first opened in 1935 can reflect upon the part they have played in pioneering air travel across the Pacific Ocean.

So that this occasion may be appropriately marked in Congress, I ask unanimous consent that the statement I hold in my hand be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PAN AMERICAN TO MARK 50,000TH PACIFIC FLIGHT

Pan American World Airways will observe the 50,000th flight of a *Clipper* across the Pacific Ocean on April 29. Pan-Am began commercial operations across the world's biggest ocean on November 22, 1935, when the famous *China Clipper* flying boat took off from San Francisco Bay with a load of airmail for Honolulu, Guam, and Manila.

Little fanfare will accompany the departure of Flight No. 1 on April 29. It will be simply another of the six *Clipper* departures that day for transpacific points.

By contrast, 25,000 people attended the 1935 ceremonies including State and Federal officials, and the then Postmaster General James A. Farley. A crowd of 125,000 jammed observation sites to watch the *China Clipper* taxi out from its dock and roar off the water.

The late Capt. Edwin C. Musick commanded the *China Clipper's* crew of seven. In the plane's holds were 110,865 letters weighing 1,837 pounds. No revenue passengers were carried on the Pacific service until nearly a year later.

The *China Clipper* required 21 hours to reach Honolulu, its first port of call. It continued on via Midway, Wake, and Guam, and set down in Manila Bay 6 days after leaving San Francisco. Flight time for the 8,210-mile route was 59 hours 48 minutes.

Today's Super-7 Clippers make the 2,400-mile San Francisco-Honolulu flight in 9 hours. When jet *Clipper* service is inaugurated, flight time will be less than 5 hours.

From 1935 until October 1936 when the first passengers were carried, the Clippers made a total of 50 crossings. By December 7, 1941, when Pan American went on a war-time status, the number of crossings had increased to 199. By way of contrast, the total number of Pacific flights during 1958 alone was 4,370.

During the prewar period, the Clippers carried a total of 2,336 passengers. By the end of 1958, the total had swelled to more than a million and a half passengers and this is increasing at a rate of 3,000 per month.

In the pioneer days, the Pacific route was confined to Honolulu, Guam, and Manila. Today the company's Pacific-Alaska division also serves Fiji, Samoa, New Zealand, Australia, Tokyo, Hong Kong, Saigon, Singapore, Bangkok, and Rangoon. Connections are made with Pan Am's Atlantic division to provide round-the-world service. In addition the division operates regular polar route service from the west coast to Europe and from Seattle to Alaska's major cities.

Equally striking are the advances made in aircraft development and attending flight speeds during the 23½ years of Pacific clipper operations.

The *China Clipper* cruised at 135 miles per hour; the DC-7C flies at 350 miles per hour, and the jet's speed is 575 miles per hour.

Carrying capacity of the Pacific Clippers also has risen sharply. The first commercial passenger flight in 1936 carried seven passengers. Today's super-7's and stratocruisers can carry up to 81 passengers, and the jets will be able to increase this capacity to 150 or more.

Years of preparation by Pan American preceded the inauguration of transpacific service. The pioneers faced such obstacles as the fact that no airliner had the range Pan American required, and no aircraft or passenger facilities existed at many of the way stations on the proposed Pacific route.

In 1932, however, aircraft manufacturers submitted bids on planes which met Pan American specifications, and their construction was begun.

To staff its Pacific operation, Pan American brought in 41 veterans of its Caribbean services, which had opened in 1927. By 1935, the number of employees had grown to 221.

Pan American experts planned air routes, and developed communications facilities, weather forecasting, and operating techniques.

In early 1935 Pan American chartered a ship to carry material for airbases and housing, aircraft fuel, technicians, construction crews, several months' supply of food, and countless other items to prepare the Pacific islands for the coming of the Clippers.

Meanwhile survey flights were being operated out of San Francisco over segments of the route the *China Clipper* would follow. Between April and October 1935 four survey flights went out from the west coast to prepare the way for the November inaugural.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

In accordance with the order previously announced, the Senate will proceed with the call of the calendar. The clerk will state the first measure on the calendar.

HARRY H. NAKAMURA

The bill (S. 611) for the relief of Harry H. Nakamura was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the time for filing claims for compensation under the Act entitled "An Act to authorize the Attorney General to adjudicate certain claims resulting from evacuation of certain persons of Japanese ancestry under military orders", approved July 2, 1948 (62 Stat. 1231), is hereby extended until the expiration of one year after the date of enactment of this Act in the case of Harry H. Nakamura.

BILLS PASSED OVER

The bill (S. 1075) to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior, was announced as next in order.

Mr. ENGLE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 91) to amend the act of September 1, 1954, in order to limit to cases involving the national security, the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the operations of such act, and for other purposes, was announced as next in order.

Mr. ENGLE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, was announced as next in order.

Mr. KEATING. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 72) to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes, was announced as next in order.

Mr. KEATING. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 994) to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho under Federal reclamation laws, was announced as next in order.

Mr. KEATING. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

ADVANCEMENT OF CAPT. EDWARD J. STEICHEN, U.S. NAVAL RESERVE

The bill (S. 587) to provide for the advancement of Capt. Edward J. Steichen, U.S. Naval Reserve (retired) to the grade of rear admiral on the Naval Reserve retired list was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Captain Edward J. Steichen, United States Naval Reserve (retired), shall be advanced on the Naval Reserve retired list to the grade of rear admiral effective as of the date of enactment of this Act in recognition of his invaluable services on behalf of the United States and the United States Navy through outstanding contributions in the science of photography.

SEC. 2. Nothing contained in this Act shall be deemed to increase the retired or retirement pay received by the said Captain Edward J. Steichen and no other benefits shall accrue to him by virtue of the enactment thereof.

BILLS PASSED OVER

The bill (H.R. 3293) to authorize the construction of modern naval vessels, was announced as next in order.

Mr. KEATING. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, was announced as next in order.

Mr. ENGLE. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 21) favoring the suspension of deportation in the case of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

A-4727055, Blaek, Ewald.

A-6623087, Chen, Won.

A-7073910, Chen, Rose Marcial.

A-7841721, Doxas, Ioannis Georges.
A-7469427, Duran-Gomez, Lucio.
A-5653974, Goldberg, Jennie.
A-5923851, Gonle, Abdul.
A-8227824, Hintopoulos, Anastasios.
A-8227810, Hintopoulos, Elizabeth.
A-10237829, Howell, James.
A-9509847, Kim, Tan Cheng.
A-7910271, Laskaratos, Antonis.
A-3734088, Laush, John.
A-7606569, Lorry, Pierre Auguste.
A-5680354, Mitsis, Vasilios George.
A-3191505, Miyagi, Shintaro.
A-9702526, Nam, Wong.
T-330304, Nunez, Estrella Quesada-Padron de.
A-10828947, Okano, Toshio.
A-9783404, Piao, Ching Tsung.
A-3313814, Poon, Gee King.
A-7123769, Prano, Francesco.
A-3026388, Sinking, Maximilian.
A-5983271, Teh-Chee, Wong.
A-6218916, Tijerina, Elidia Gomez.
A-8082837, Yee, Chan Tim.
A-9634992, Choy, Wong.
A-3309224, Engelbert, Walter.
A-6888873, Huppert, George.
A-6798911, Huppert, Marta (nee Simon).
A-9563617, Karapanagiotis, Aristoteis Anastassios.
A-9197864, Sing, Lai.
A-10504603, De Belmares, Josefina Coronel.
A-4789022, Evans, Zena Ann.
A-4786269, Hamasaki, Hiroichi.
A-5364167, Hamasaki Tsugino.
A-9684330, Kam, Lo.
A-9799123, Kwai, Yung Ah.
A-3351370, Lum, Chong.
A-7186533, Rubin Riva.
A-4276892, Dos Santos, Alfredo Lopes.
A-7450107, Wong, Kam.
A-6657670, Cheliotis, Athanasios Elias.
A-7898703, Costa-Coloret, Candido.
A-10292017, Costa, Candida Jaida-Diaz De.
A-7137721, Galaviz, Juana.
A-7886181, Lam, Cheong King.
A-5056856, Trentin, Giuseppe.
A-2794618, Carlson, Peter.
A-6984286, Garcia-Mendez, Celia.
A-6984283, Garcia-Mendez, Maria.
A-6984285, Garcia-Mendez, Victor.
A-3974383, May, Chang Ah.
A-9625807, Mustasaar, Jaan.
A-8952421, Wing, Lew.
A-8952422, Chung, Lee Sun.
A-5830879, Arden, Robert H.
A-7264249, Kiidea, Gay Yvonne.
A-8217364, Silaikis, Felix.
A-9635445, Wong, Chong.
A-10255991, Chow, Sow Tan.
A-9727518, Giraud, Boniface Victorius Leon.
A-7241518, Lynch, Timothy James.
A-9069727, Yin, Ho York.
A-7266325, Fong, Han Soon.
A-9571969, Lim, Chew Tak.
A-10255551, Toon, Tan Siang.
A-7469694, Wah, Tan Jow.
A-9537742, Tan, Yap Eng.
A-9561879, Raun, Tin Joke.
A-7978933, Nunez y Plasencia, Juan Jose.

MAGDA KUSEN CANJUGA

The bill (S. 29) for the relief of Magda Kusen Canjuga was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration Nationality Act, Magda Kusen Canjuga shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent

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- "public lands"; to the Interior and Insular Affairs Committee. p. 6641
- Sen. Neuberger commended and inserted an article by the conservation director of the Izaak Walton League, "Tomorrow's Conservation--A Growing Population and Restrictd Lands Create Dilemma," and inserted the League's resolutions urging full consideration of fish and wildlife resources in Federal Power Commission functions, opposing construction of the Nez Perce Dam and construction of any dam below the confluence of the Salmon River, Idaho, and urging multiple use of public lands and study of access to public lands. pp. 6675-7
15. WILDLIFE; ALASKA. Received from Interior a proposed bill "to authorize the establishment of the Arctic Wildlife Range, Alaska"; to the Interstate and Foreign Commerce Committee.
16. WATER; FISHERIES. The Public Works Committee ordered reported with amendment S. 42, to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery; and without amendment S. 300, providing for appointment of a study commission of separate representatives for the Guadalupe and San Antonio River Basins, and of a representative of the Texas Board of Water Engineers. p. D319
17. HIGHWAYS. The Public Works Committee ordered reported without amendment H. R. 4695, to increase from 5 to 7 years the period in which actual construction shall commence on highway rights-of-way acquired in anticipation of such construction. p. D319
18. MUTUAL SECURITY. Received from the President preliminary conclusions of the President's Committee to study the foreign military assistance program. p. 6639
19. ATOMIC RADIATION. Received from the Calif. Legislature a resolution urging Congress to clarify the jurisdiction of a State concerning the protection of health and safety of the public from radiation hazards incident to the possession of materials licensed by the Atomic Energy Commission. p. 6642
- Sen. Bridges inserted an editorial pointing out the dangers of radioactive fallout. p. 6693
20. REPORTS. Received from HEW a report of that Department for fiscal year 1958; to Labor and Public Welfare Committee. p. 6641
21. INFLATION. Sen. Bush inserted his recent speech discussing "the need for fiscal discipline in the Federal Government in order to preserve the credit of the United States." pp. 6660-1
- Sens. Bush and Bridges inserted a magazine article, "Argument Against Creeping Inflation," discussing the dangers of inflation. pp. 6663-5, 6691-3
22. WHEAT. Sen. Langer inserted two GTA Daily Radio Roundups discussing the prospects for the enactment of wheat legislation during the session of Congress. pp. 6683-4
23. ELECTRIFICATION. Sen. Langer inserted a GTA Daily Radio Roundup discussing the veto of the REA loan approval bill. p. 6684
24. INTEREST RATES. Sen. Proxmire charged that "high" interest rates "is unmitigated, scandalous waste." pp. 6685-9
25. RECLAMATION. Began debate on S. 72, to authorize Interior to construct the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River Storage project. pp. 6715-9
- Began debate on S. 44, to authorize Interior to construct the San Luis unit of the Central Valley project, Calif. pp. 6725-39

26. SURPLUS FOOD. Sen. Humphrey inserted articles supporting his food for peace bill (S. 1711) to expand the use of CCC surplus food in needy countries. pp. 6721-3
27. SOIL CONSERVATION. Sen. Humphrey commended the Soil Stewardship Week sponsored by the Nat'l Ass'n of Soil Conservation Districts, and stated that "the soil conservation districts deserve high commendation for their untiring efforts to build understanding of both the techniques and the value of soil and water conservation." pp. 6723-4
28. ADJOURNED until Thurs., May 7. p. 6742

ITEMS IN APPENDIX

29. FOREIGN AID. Sen. Kefauver inserted former President Truman's and Eric Johnston's addresses commemorating the 10th anniversary of the Point-4 program. pp. A3699-700, A3706
30. FARM PROGRAM. Extension of remarks of Sen. Humphrey inserting a speech by the editor of the Washington Newsletter, Nat'l Farmers Union, "What Kind of Farm Program," and stating that "...it lucidly explains the purposes of national farm programs and pinpoints the failures of the Benson farm policies to achieve these purposes." pp. A3708-9
31. RICE. Sen. Fulbright inserted an article, "U. S. Rice Farmers Tap U. N. Technical Aid," reporting on the progress of fish-rice research and experiment programs. pp. A3709-10
32. AIR POLLUTION. Extension of remarks of Sen. Kuchel urging action by the House on a Senate passed bill to extend for five years the research program in air pollution, and inserting a statement describing the impact of air pollution upon agriculture. pp. A3716-7
33. EGGS. Rep. Lane inserted an article, "Justice Department May Look Into Egg Price Fixing." pp. A3729-30
34. FORESTS. Extension of remarks of Rep. Dixon commending this Department's report "Program for the National Forests." p. A3739
35. WHEAT. Rep. Derounian inserted an editorial, "Mountains of Wheat," urging Congress to "not delay any longer" its attack on the country's mountainous surplus of wheat. p. A3749
36. RURAL DEVELOPMENT. Rep. Trimble inserted an article discussing the work being done in Arkansas through the rural development program to strengthen the dairy industry and improve rural telephone service. p. A3753
37. SUBSIDIES. Rep. Bosch inserted a newspaper editorial "Incentives, Not Subsidies, Meet Human Needs." p. A3761

BILLS INTRODUCED

38. FORESTRY. S. J. Res. 363 by Sen. Mansfield, et al, H. J. Res. 363, by Rep. Anderson, Mont., H. J. Res. 364, by Rep. Coffin, H. J. Res. 365, by Rep. Gavin, and H. J. Res. 366, by Rep. Metcalf, to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior; to S. Agriculture and Forestry and Interior and Insular Affairs Committees, jointly, and to House Agriculture Committee. Remarks of Sen. Mansfield pp. 6652-3; remarks of Rep. Metcalf pp. 6750-1.

be the first in a series of exchanges through which the students of both nations may communicate their experiences and aspirations to one another.

In these times of tension when the Soviet Union and the United States so often seem perilously close to a war of mutual destruction and co-annihilation, it is of crucial importance that whatever differences exist between the two nations not be compounded by myth and misunderstanding. To dispel such myth and promote genuine understanding, this issue of the Student is dedicated.

It is only natural that the first of these exchanges should be devoted to education, the endeavor in which both we and our counterparts in the Soviet Union are most vitally concerned. If our treatment of the material seems too general and our scope too comprehensive for readers in this country, we ask them only to bear in mind our purpose, in reading the pages that follow.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. KUCHEL. Mr. President, S. 44 is authored by my distinguished colleague from California [Mr. ENGLE] and by me. It is endorsed by the Bureau of Reclamation and the Secretary of the Interior. The Bureau of the Budget has interposed no objection. The bill is recommended by the government of California presided over by the Honorable Edmund G. Brown, a Democrat; and it was recommended by the government of California presided over by his predecessor, Hon. Goodwin Knight, a Republican. Thus, my colleague and I are in the happy position of being able to say that the bill comes to the Senate floor recommended by all those agencies, State and Federal, which have an official interest in the subject matter.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. KUCHEL. I prefer not to yield until I have completed my opening remarks. Then I shall be glad to yield.

By way of background, I may say—and I have said it before in the Senate—that in population California is now the second largest State among the 49 States. California has 14 million people. Our State is a semiarid region. New citizens are coming to California at the rate of in excess of half a million a year.

Water continues to be our basic problem. We are grateful to the Government of the United States and to Congress for the multiplicity of times when, under the Constitution, Congress has acted in passing reclamation legislation to help the people of California solve their water problems.

Mr. President, the proposed legislation before us now is of great importance to the State of California. This is the second time such legislation, designed to authorize the San Luis project, has been before the U.S. Senate. Last year, in the 85th Congress, the Senate considered a

bill essentially the same as S. 44, and voted its approval.

This year hearings were again held on this proposal by the Senate Subcommittee on Reclamation and Irrigation of the Senate Interior Committee. It was gratifying to all of us who have been urging this legislation for several years to find that every segment within the State of California now has given this bill its unequivocal endorsement. The people from southern California, the people from northern California, the State Government speaking through its Governor, every interested segment of our State, came before the subcommittee and gave vigorous endorsement of this legislation. I am grateful to Senator ANDERSON, of New Mexico, for the manner in which he handled this bill both in the subcommittee and before the full Senate Interior Committee. I thank the distinguished chairman of the full committee, Senator MURRAY, of Montana, indeed, every member of the full committee which sent the bill unanimously to the floor.

Briefly, the legislation before you envisages the construction of a giant, 2,100,000 acre-feet storage reservoir, jointly to be used by the State of California in sending northern surplus water on south through the lower San Joaquin, and through the coastal counties, and into all of southern California under a gigantic State system paid for by the State and its people; and used also by the Federal Government in rescuing 500,000 acres of land now in danger of destruction because of the vanishing water supply by adding that vast area to a Federal reclamation project, the Central Valley project.

Thus, two systems—one a Federal project in being; the other, a State project about to get underway—would both be served at San Luis, the point where they cross—by a single storage reservoir whose cost of construction and operation would be shared by both governments.

The importance of speedy action by Congress at this time has been heightened by various developments in California. Outstanding is the fact that a decision has been reached on the general routing of an imagination-challenging aqueduct to carry surplus waters of northern California to the heavily settled communities of the southern half of the State.

The bill provides for the building and operation of a 2,100,000-acre-feet reservoir at the San Luis site on the west side of San Joaquin Valley to store and furnish water for what are in actuality two separate projects. These, as I say, are an additional unit of the vast Central Valley project, a Federal undertaking, and an integral part of the Feather River project, a purely State enterprise.

As for the Federal interest, the project will serve lands now completely dependent upon irrigation water pumped from underground sources. Years of overdraft have caused the groundwater table to recede at an alarming rate. The situation has become acutely critical in recent years. The supplemental water from this project would halt the inevitable abandonment of land which other-

wise is liable to revert to semidesert. Thus, the Federal undertaking would be wholly in harmony with the objectives of our Federal reclamation policy of more than a half century, by assuring a livelihood for American families. At present, nearly three-quarters of a million persons would be benefited directly and indirectly by the San Luis development.

Here is a unique opportunity for pooling of Federal and State resources and abilities. The San Luis project would have a dual purpose and the one suitable reservoir site in the valley of the San Joaquin would be used by both governments, State and Federal. It will be an important link in the development of California, specifically in sections from the lower San Joaquin and Santa Barbara, and beyond the Tehachapi Mountains south to the Mexican border. These areas, with startling increases in population and industry, are vitally concerned with efforts to transfer excess water from the surplus counties of the north to the critical deficiency communities of the south where additional supplies are imperative to maintain the present economy, let alone meet forecast demands for greater quantities to accommodate the logically anticipated growth.

The physical plan of San Luis involves capturing a portion of the winter runoff which each year flows into the Sacramento-San Joaquin delta and is wasted into the Pacific Ocean. The water would be transported by means of the existing Tracy Pumping Plant and the Delta-Mendota Canal of the Central Valley project to a point near the San Luis reservoir site. There, new facilities would be constructed to lift the water to the reservoir for storage, ultimately for either delivery to agricultural lands of the surrounding area for use during the irrigation season, or for transportation through huge new aqueducts to the residential, industrial, metropolitan and other areas of Los Angeles, Orange, Riverside, San Bernardino, Ventura and San Diego Counties. It will almost double the utility of the existing Delta-Mendota canal system by providing for its use at a time when otherwise it would be idle.

The California water plan, with an aggregate estimated cost to California of nearly \$12 billion, envisions facilities basically similar in design and location to those proposed by the Bureau of Reclamation to serve the San Joaquin Valley. It is essential to provide a storage and regulating reservoir at a midway point on the route of the contemplated interbasin exchanges.

It is obvious that any effort to use a single reservoir and related facilities for discharge of Federal and State responsibilities can lead to complications and differences. Happily, these have been resolved and dissipated. Prolonged conferences and discussions have happily resulted in a meeting of minds and the drafting of this bill. Both State and Bureau officials are on record to the effect that there are no engineering, financial, legal or other obstacles to the coordination, for both Federal and State

purposes, of construction and operation of the San Luis project as contemplated in S. 44.

As I mentioned earlier, this bill is essentially the same as the bill we considered last year. Let me touch briefly on the major differences between S. 44 and last year's legislation. One change, on page 3, line 25, relates to the cutoff date for the agreement to be entered into between the State of California and the Federal Government. The bill last year provided that the cutoff date for this agreement was to be July 1, 1960. The present bill extends this date to January 1, 1962. Another substantive change to last year's bill will be found on page 2, beginning on line 12. Here we have provided language to make it crystal clear that the Secretary of the Interior has a mandate to construct the dam and reservoir so as to permit the expansion into such construction of other joint-use facilities, subject to limitations and appropriations authorized, and the agreement with the State of California.

The purpose of this language is to clarify provisions of the bill to pave the way for the integration of the San Luis unit with the Central Valley project of the California State water plan. This arrangement will assure full protection for the Federal investment and at the same time evidence cooperation with the State of California in the conservation and development of its water resources.

While there are other amendments, they are largely of a technical nature. I will point out to you, however, that the bill that my colleague from California and I have introduced this year, through an inadvertence, did not contain what appears in the printed bill as section 6. This section relates to the application of Federal reclamation laws. The language in section 6 of the present bill is essentially the same as section 7 of last year's bill.

I have emphasized throughout these remarks the project would have a dual purpose, carrying out both a Federal and a State plan and supplying water for different uses. We envisage construction of a 2,100,000-acre-foot reservoir because that would be more economical, more practicable, and the commonsense way of proceeding to meet these varying requirements. Accordingly, the bill should unequivocally provide that in one area served by the Federal project, Federal reclamation law will apply, while in the other area, served by the Feather River project, California law will apply. It should be made crystal-clear that the Federal acreage limitations will be enforced in the case of those benefitting from the Federal project in this joint venture. It similarly should unequivocally declare that Federal laws will not in any way or manner affect lands which may be supplied from features which are a part of the California water plan. Both those for and against this legislation should know beyond doubt that the project will handle purely intrastate waters which the Creator has sent to California, and that under the State system, these State waters will be used in accordance with State laws. I wish it

equally clear and unmistakable that on the lands which are part of the Central Valley project, the waters will be used pursuant to Federal law. The fact that the same reservoir will be used to store two categories of water should not lead to the imposition of a Federal law and Federal obligations on persons who are beneficiaries only of the State expenditure and effort.

The bill thoroughly protects the interest of the United States. In the very unlikely event that an agreement with California cannot be reached, the Secretary of Interior must report that fact to the Congress and then wait 90 days before proceeding to construct the project according to Bureau of Reclamation specifications and plan. Under no circumstances can the Secretary initiate the project until he has secured, or has satisfactory evidence of his ability to secure, all rights to the use of water necessary for successful operation. Further, the entire Federal cost of the project allocated to water users will be repaid by them over a period not to exceed 50 years.

The bill likewise contains carefully framed provisions to protect and advance the interests of California. For example, should the State elect not to enter into the contemplated contract with the Federal Government, it can still preserve its interest in the site by making available to the Secretary sufficient funds to pay the additional cost of designing and constructing the dam and joint-use facilities to permit enlargement at some subsequent date. Thus, the State will acquire an irrevocable right to enlarge or modify those facilities at any time in the future and a perpetual right to the use of such additional capacity.

Based on a State-Federal agreement, the Secretary, as the bill now provides, can either initially construct the reservoir to full capacity, 2,100,000 acre-feet, and to corresponding capacity of other joint-use facilities, in order to permit immediate integration and coordinated operation of the works, or he can construct them to meet requirements of the Bureau of Reclamation but on a basis susceptible to future expansion by the State if later desired.

The benefits of this venture should be widespread. Its need is obvious from reference to the tremendous expansion of California population, industry and agriculture during recent years. From a population of less than 7 million in 1940, we have more than double that number of people today. The State department of water resources shows an almost unbelievable rise in consumption of water and foresees even harder to comprehend increases in the rest of the present century. The department reported that back in 1950 the estimated seasonal shortage of developed water in California was about 2.7 million acre-feet and by 1965 some experts warn that, without this and other equally vital undertakings, the overdraft may reach 10 million acre-feet per season.

When the Governor of California was here several weeks ago, he appeared before our committee and urged that the bill in its present form be passed. I do, also.

There are one or two other things to which I wish to allude. First of all, before the committee, interested citizens who represented the areas in my State covered by the counties of Santa Clara, San Benito, Santa Cruz, and Monterey asked for an opportunity to be considered in the legislation with respect to the possibility of an additional source of surplus water for the people who are moving into those areas and who will need water for domestic purposes. The proposed legislation, I am glad to say, contains the following section:

(b) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1934, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.

Thus, were the bill to become law, as I devoutly hope it will, Congress would have an additional responsibility to discharge under the section I have just read. But I think it fair to say that the one apprehension about which I very much regret, one or two of my colleagues have spoken to me concerns another section. I want to try to meet any objection head on, if I can, and to spread the facts on the RECORD now.

Mr. President, there is every intention on the part of the authors of the bill to have the Federal reclamation law apply completely to every drop of water which goes into the San Luis Dam and which thereafter is to be used on properties lying within the expanded Federal reclamation area. There is every intention on the part of the authors of this measure that the water for storage in this reservoir which is to be used by the State of California in the State system, paid for by the people of California, and almost completely to be used for domestic purposes, shall be governed by the law of the State of California, and by the law of the State of California alone.

Thus, Mr. President, we have here a proposal for a joint-use reservoir utilizing the only area in the mountains of my State which is suitable for a great 2-million-acre dam by means of which Federal benefits under Federal reclamation law will flow to farmers in a Federal area, and by means of which benefits to the people of my State who will need water will be received from the waters stored in the dam which feeds the State system.

Mr. President, is it not just that, in such a situation, State law, and State law alone, shall govern? I think so; and it is on that basis that we have particularly provided in section 6(a):

The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described

in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.

Mr. President, if there were two dam-sites at San Luis, the Federal Government could proceed to build one dam to serve the Federal reclamation area; and the State of California could proceed to build a dam immediately adjacent to it, and to have pass through the latter dam waters serving the State system only. But how ridiculous and how economically unfeasible such an arrangement would be.

Mr. President, is it not in the interests of the people of the United States and the people of California that one reservoir be constructed jointly at the one site the Creator has made available, and that it be used in a joint capacity? I think so. So does my colleague. So does the Governor of California. So does every member of the Senate Committee on Interior and Insular Affairs—whether Democrat or Republican.

So, Mr. President, this is a piece of proposed legislation which should be passed this year by the Senate, as it was passed last time, and this year in the hope that it will soon be on its way to the White House.

Mr. ENGLE. Mr. President, in the 85th Congress the Senate passed proposed legislation virtually identical in substance with the bill which now is before us. So most Senators are well acquainted with the merits of the San Luis project.

Furthermore, I may say that my distinguished colleague, the senior Senator from California [Mr. KUCHEL], has made an excellent explanation of this project.

Mr. President, in the last session of Congress, the corresponding bill was co-authored by the present senior Senator from California [Mr. KUCHEL] and by my predecessor, who then was the minority leader, Senator Knowland, then the senior Senator from California. So little can be added to the information my colleagues already have with respect to this project.

Mr. President, today I wish to emphasize only two or three points, which, although not new, are important, and should be kept in mind in connection with the consideration of this proposed legislation.

First and foremost, Mr. President, this project is a "rescue" project, not a new development. Almost no new land will be brought into agricultural production. The service area of the Federal San Luis unit already is almost fully irrigated from ground water pumped from deep wells which are almost as deep and as expensive as some oil wells. These tube wells go down from 600 feet to more than 2,000 feet. They cost approximately \$75,000 to drill—each.

I can remember when we thought a ranch which cost \$75,000 was a good-sized ranch and an expensive one. The water pumped from these depths costs \$20 or more an acre-foot. But the worst feature of the matter is that the water is giving out; the water table is sinking lower and lower each year, because the required draft on this sub-

terranean supply is so much greater than its annual natural replenishment. The figures shown by hydrologic studies are in the order of 1 million or more acre-feet of annual use, as against 220,000 acre-feet of annual replenishment. In other words, in order to sustain a developed and highly productive agricultural economy, this ground water is being "mined" to the point of exhaustion; and we are, in effect, consuming a capital resource. That is why I call the San Luis project a "rescue" project. It is a project to save good cropland from returning to sagebrush and sand.

Second, Mr. President, I should like to point out that the San Luis project will not add to price-supported agricultural production. Now that we have huge agricultural surpluses, I think that is an important point, because it would not make sense to develop any agricultural production which would be added to the existing surpluses. No corn, no tobacco, no rice, and no peanuts are grown in the service area. The cotton grown there is the long-staple variety which is not competitive with southern cotton; and in any event the cotton acreage will not be increased by this reclamation project.

My opinion is that the cotton acreage will decline, because with an assured water supply, the trend will be toward high value specialty crops and toward smaller farms, which are not typical of large-scale cotton production.

As for the wheat which now is grown in the area, it will disappear entirely under full irrigation, in favor of alfalfa, vegetables, fruits, melons, and similar crop versatility. I may say, Mr. President, that every time we have added water to the farms in the Western States we have decreased the size of the farms, we have increased the number of family-sized farms, we have moved in the direction of diversified farming, and we have moved away from large-scale farming.

Another significant point, Mr. President, is that the farmers of San Luis will pay for this project virtually 100 percent. The San Luis costs are allocated almost entirely to irrigation, except for a little which is allocated to municipal water supply, plus a small item of \$100,000 which is allocated to recreation. No part of the cost is allocated to flood control or to electric power. Except for the recreation item costing \$100,000, the full cost of the Federal San Luis unit will be repaid to the Federal Treasury by the water users under reclamation law.

Mr. President, with reference to the item for recreation—an item in the amount of \$100,000—let me say that the cost of recreation facilities on these great lakes in California should not be charged to the farmers. The irrigators should not have to pay for recreational facilities on these great projects. Such recreational facilities benefit the city dwellers and others who, on weekends and at other times, enjoy those water resources. In some instances, on the man-made lakes in California, there are as many as 35,000 persons on a weekend. They enjoy those facilities. The Government has erected them. In my opinion, the

expenditure of \$100,000, nonreimbursable, for recreational facilities is justified, because they are for the benefit of the general public, not for the benefit of the irrigators. To do otherwise would be to require that the irrigators pay the cost of recreational facilities which are used by others.

Finally, as the Governor of California emphasized at the committee hearings on Senate bill 44, the State of California is making a tremendous effort to solve its own critical water problem. My colleague already has referred to this effort. The Federal San Luis unit of the Central Valley project is part and parcel of the overall State water plan which the State is prepared to commence with expenditures of more than \$1 billion of its own money in the next few years. For the joint-use facilities of San Luis alone, under the cooperative Federal-State plan proposed in Senate bill 44, the State's share of San Luis construction is estimated at \$240 million, and the Federal share at \$160 million. The San Luis reservoir and other joint-use facilities, whether constructed initially only to serve the Federal project, or whether built to enlarged capacity to serve both projects, will be operated by the Federal Government as a part of the Central Valley project, under agreement with the State.

To avoid any possible confusion, let me summarize the cost figures again: The Federal San Luis unit of the Central Valley project is estimated to cost \$290,430,000, which is the top limit of Federal expenditure authorized by this bill.

Of that total, about \$160 million is for works that may be utilized also by the State of California as a link in its great conveyance system to transfer Feather River water to southern California. Upon execution of the Federal-State agreement contemplated by S. 44, the State will contribute approximately \$240 million to pay the cost of the enlarged capacities that will be required in the San Luis Reservoir and other joint-use facilities in order to accommodate the needs of both the Federal and State projects. Then, in addition, the State will spend approximately \$420 million on the Oroville Dam and powerplants on the Feather River, plus another billion dollars in excess of its San Luis contribution to convey Feather River water from the delta to southern California. The ultimate cost of the entire State water plan is presently estimated at more than \$11 billion—the figure mentioned by my colleague, the senior Senator from California.

As Governor Brown said in his testimony on S. 44, "No State ever has made a comparable proposal." Indeed, the Federal San Luis unit of the Central Valley project is but a small part of a tremendous self-help program of the State of California in which this Federal project will be integrated for the mutual benefit of both. Here is an ideal cooperative arrangement between the two levels of government that is an especially good reclamation bargain for the United States, and it is a good program

for the needed water development of the State of California.

Mr. KUCHEL. Mr. President, on behalf of my colleague and myself, I ask unanimous consent that the committee amendments be agreed to en bloc. If I understand correctly, thereafter the able senior Senator from Illinois or any other Senator would have a right to offer amendments to the bill.

The PRESIDING OFFICER. Yes; any amendment would be in order.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that it be in order thereafter to offer amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 1, line 5, after the name "California," to insert "hereinafter referred to as the Federal San Luis unit service area"; on page 2, line 9, after the word "works", to insert "of the San Luis unit"; in line 13, after the name "San Luis Canal", to strike out "Those joint use facilities may be constructed to permit future expansion, and upon agreement by the State or some other public agency to equitably share the costs as later provided in this Act, shall either be so constructed or" and insert "The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed so as to permit future expansion; or the joint-use facilities"; in line 23, after the word "area", to insert "as hereinafter provided"; on page 3, line 14, after the name "San Luis unit", to strike out "or has otherwise made provision, in accordance with section 4 of this Act, for meeting the drainage requirements of the San Luis unit" and insert "or has made provision for constructing the San Luis interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior, December 17, 1956."; on page 4, line 3, after the word "the", to insert "Federal"; in line 4, after the name "San Luis", to insert "unit"; in line 11, after the word "by", to strike out "July 1, 1960" and insert "January 1, 1962"; on page 5, line 10, after the word "State", to insert "shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share"; in line 20, after the word "interfere", to insert "unduly"; on page 6, at the beginning of line 17, to strike out "appropriate" and insert "equitable"; on page 7, line 9, after the word "interfere", to insert "unduly"; in line 13, after the word "an", to strike out "appropriate" and insert "equitable"; on page 8, line 15, after the word "the", to insert "Federal"; on page 9, line 15, after "(60 Stat. 1080, 16 U.S.C. 662)", to insert "as amended"; on page 10, after line 21, to insert a new section, as follows:

"Sec. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled 'San Luis Unit, Central Valley Project,' dated December 17, 1956.

"(b) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken

until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States."

And, on page 11, at the beginning of line 16, to change the section number from "6" to "7"; so as to make the bill read:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plans, distribution systems, drains, channels, levees, flood works, and related facilities. The works of the San Luis unit (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, pumping plants, and the San Luis Canal. The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed so as to permit future expansion; or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area as hereinafter provided. In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) except so far as the provisions thereof are inconsistent with this Act. Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan, Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit or has made provision for constructing the San Luis interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior, December 17, 1956.

"Sec. 2. The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956. The

Secretary shall not commence construction of the San Luis unit, except for the preparation of designs and specifications and other preliminary work, until the execution of such an agreement between the United States and the State, but if such an agreement has not been executed by January 1, 1962, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided*, That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as is otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share shall make available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity: *Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation of the project for the purposes set forth in section 1 of this Act: *And provided further*, That this right may be relinquished by the State at any time at its option.

"Sec. 3. The agreement between the United States and the State referred to in section 2 of this Act shall provide, among other things, that—

"(a) the joint use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (i) immediate integration and coordinated operation with the State's water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (ii) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith:

"(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint use facilities and the works of the San Luis unit to be used by the State and the United States;

"(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

"(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint use facilities;

"(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction cost of the joint use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint use facilities;

"(f) the rights to the use of capacities of the joint use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint use facilities for water service outside the Federal San Luis unit service area.

"(g) the Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

"(h) notwithstanding transfer of title or the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939 for a water supply through the works of the San Luis unit, including joint use facilities, shall continue to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1), in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

"(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), as amended, the features of the unit to which such allocation is attributable shall, notwithstanding transfer of title or of the care, operation, and maintenance to the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised and, upon failure so to operate and maintain those features, the amount allocated thereto shall become a reimbursable cost to be paid by the State.

"SEC. 4. In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contracts conforming generally to the provisions of the Federal reclamation laws with respect to irrigation repayment or service

contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925, 43 U.S.C. 523).

"SEC. 5. The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be nonreturnable and nonreimbursable under the Federal reclamation laws.

"SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled 'San Luis Unit, Central Valley Project,' dated December 17, 1956.

"(b) The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.

"SEC. 7. There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes. There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, and (b) for operation and maintenance of the unit. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MANSFIELD. It is evident the Senate will not be ready to complete action on the bill this evening. I understand there will be a yea and nay vote on the measure on Thursday. I therefore ask unanimous consent that at the conclusion of the morning hour on Thursday, 1 hour be allocated to the bill, 30 minutes to a side; and 30 minutes on any amendment offered thereto, 15 minutes to a side.

Mr. DOUGLAS. Mr. President, reserving the right to object, on behalf of

myself and other Senators, I shall offer an amendment to strike section 6(a) from the bill. I regard that section, which waives the 160-acre limitation of reclamation law on so-called State service land, as the crucial part of the bill. If the amendment were to carry, namely, if we were to strike out section 6(a) from the bill, I personally would vote for the bill. If the section is not eliminated from the bill, I shall be compelled to vote against the bill.

I regard the debate on section 6(a) as of equal importance with debate on the bill itself. I ask that the unanimous-consent request be modified so that we may have an hour upon the amendment dealing with section 6(a), as well as 1 hour on final passage of the bill.

Mr. MANSFIELD. It is my understanding the Senator from Illinois has an amendment to offer. Are there others to be offered?

Mr. DOUGLAS. I shall offer the amendment not only on behalf of myself, but on behalf of the senior and junior Senators from Oregon [Mr. MORSE and Mr. NEUBERGER].

Mr. MANSFIELD. Am I correct in assuming that is the only amendment which will be offered?

Mr. MORSE. Mr. President, reserving the right to object, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I cannot answer the question just now. I think it would depend on the progress which will be made on Thursday. I want to do everything I can to try to make this water available to the people of California, subject to the protection of some historic criteria.

I appreciate the superiority of my dear friend from Illinois in being able to speak on such a complicated matter as this as briefly as he has suggested in the unanimous consent agreement; but it is beyond my power of accomplishment. Therefore, I could not accept the unanimous consent agreement which the Senator from Montana suggests. I may say to him it is my honest judgment that action on the bill will be completed on Thursday afternoon within a reasonable period of time, if no unanimous consent agreement is offered. I think time will be saved without any unanimous consent agreement. However, I am willing to accommodate the Senator from Montana on a unanimous consent agreement, but it would have to provide for 2 hours on an amendment, 1 hour to each side.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that immediately at the conclusion of the morning business on Thursday 2 hours be set aside for the consideration of the amendment, 1 hour on the bill, and that the Senate then proceed to a vote.

Mr. KEATING. Mr. President, reserving the right to object—

Mr. MORSE. Mr. President, reserving the right to object, I do not think we should accept that particular formula as a part of the unanimous consent agreement. It protects those who wish to speak on the Douglas-Morse-Neuberger amendment, but it does not state what the period of time on any other amend-

ment shall be. As to the latter, I think a shorter period of time could be agreed upon. Possibly the original proposal of the acting majority leader of 30 minutes to a side on any other amendment might be acceptable.

Mr. MANSFIELD. Mr. President, I am gradually being whittled down. I withdraw my unanimous-consent request.

Mr. CHAVEZ. Mr. President, I should like to have the attention of the acting majority leader. Can he tell me to what time Order No. 142, Senate bill 72, went over? Will that bill be considered prior to the time the Senator has mentioned?

Mr. MANSFIELD. No. It has been held over temporarily, on the basis of objections raised and the strong possibility that no final action could be taken. It is the hope of the leadership that perhaps in the meantime the Department of the Interior can speed up its recommendation, and the same statement applies to the Budget Bureau, and that the bill may be considered when the Senator from New Mexico [Mr. ANDERSON] can be present on the floor.

Mr. CHAVEZ. Since the last discussion of the bill I had the committee staff obtain a report which was made by the Secretary of the Interior on the proposed legislation. We have it now and will be ready with it.

Mr. MANSFIELD. I may say to the distinguished senior Senator from New Mexico that we shall do our best to get that measure up for consideration later this week.

Mr. DOUGLAS. Mr. President, the record will show, I believe, that the Nation has expended to date nearly \$750 million upon dams and irrigation systems of the Central Valley. These have been national expenditures financed through taxes borne by the people of the Nation, including the people of the Midwest and of those areas where there is and will be direct competition with the products grown in the irrigated regions of the Central Valley.

Mr. President, I have some knowledge of this region, since I have traveled through it by auto and have inspected some of the farms. I have acquainted myself over the years with the topography of the land and the water problems of the area.

It is now proposed directly in the bill under consideration to authorize the expenditure of an added \$290 million for the main supply facilities of the San Luis project. The report, on page 10, specifically states that another \$190 million will be needed to provide distribution systems, drains, and deep wells. An additional appropriation is authorized for this purpose. In all probability, therefore, there will be an added expenditure of very close to \$500 million from the National Government, or a total expenditure of approximately \$1¼ billion.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. KUCHEL. So that the record will be crystal clear, is it not true that the bill now before the Senate places a \$290,430,000 ceiling on the Federal expenditures?

Mr. DOUGLAS. That is true of the dollar sums specifically mentioned in the bill. But I would invite my good friend from California to direct his attention to line 23 and following on page 11 of the bill. I read those lines:

There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, and (b) for operation and maintenance of the unit.

I invite the attention of my good friend also to the passage in the report to which I have already referred, which states:

In addition to the main water supply features the San Luis area would require distribution systems, drains, and some deep wells.

As a matter of fact, these are the construction features referred to in the passage of the bill which I have just covered.

The estimated cost of these works is \$192,650,000.

Mr. KUCHEL. If I may, Mr. President, I should like to read the next sentence immediately after the point where the Senator concluded:

The local districts could finance and construct these works by themselves, or request the Federal Government to do it.

Mr. DOUGLAS. Yes.

Mr. KUCHEL. It continues:

In the latter event repayment for these works in 40 years would be required.

I wish to say to my friend from Illinois that under the rules and regulations governing the Department of the Interior the questions as to those surface distribution systems, when they arise, will arise in the background of what Congress then determines to do with respect to Federal participation or the question of whether the local conservancy districts themselves should undertake the cost of constructing them.

Mr. DOUGLAS. I again invite the attention of my friend to the phrase in the report that the local districts could request the Federal Government to do this work. The bill then specifically authorizes, in lines 24 and 25, page 11, Federal appropriations for the construction of such distribution systems and drains, so that there is authorization for an added appropriation for the distribution system included in the bill if the localities request it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to my friend from Oregon.

Mr. MORSE. I think it is very important for the legislative history and for future reference that we emphasize the point the Senator from Illinois is now making. I do not think there is any doubt about the fact that on page 11, beginning on line 22, the bill in effect provides for an amount over and above \$290,430,000. It provides for such funds as the Congress may in the future authorize to be appropriated. For what? It is "for construction of such distribution systems and drains as are not constructed by local interests." What that might amount to, I am not in a position to testify this afternoon.

Mr. DOUGLAS. The Department of the Interior testified that its cost would be about \$190 million.

Mr. MORSE. I was going to say, we know it will be a "pretty penny." It seems to me that is the controlling language in reference to future unaccountable-for costs imbedded in the bill.

I want my friends from California to know I have not any doubt that the senior Senator from Oregon—and I am sure this would be true of my colleague and also the Senator from Illinois—will vote for it when the matter is brought forward at a later time, with supporting evidence to justify the building of distribution systems and drains not constructed by the local interests, for which authorization might be asked. I believe my colleagues will have our votes, because we have been supporting this kind of water resources development time and time again.

It seems to me that language I have read is controlling and is not in any way limited by what appears in subsection (b), which is "for operation and maintenance of the unit."

Appropriations could be provided for that purpose, also.

Mr. DOUGLAS. That is in addition to subsection (a) of section 7.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. Yes; that is in addition to subsection (a).

There is involved what I think is a sort of implied commitment on my part as an individual Senator. I speak only for myself, but I think if I vote for the passage of the bill with this language in it, by implication, at least, I shall be saying to the people of California, "I will do what I can to help you in the future, when you prove your case on the merits, to get Federal appropriations for construction of such distribution systems and drains as are not now constructed by local interests; and, secondly, I will help you get money for operation and maintenance of the unit." I should do so, because of the Federal interest involved. I do not think that the language which follows:

All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act.

In any way modifies the commitment I think we are asked to make beginning on line 22, page 11, and ending with the word "unit" on line 2, page 12.

When we vote for passage of the bill we ought to know that in effect we are voting for the expenditure of much more than \$290,430,000. I am in favor of that. I am in favor of it, because I think the development of these water resources can be justified as sound. At the same time, I think we ought to make the RECORD perfectly clear, as the Senator from Illinois is doing, as to what the total cost is likely to be.

Mr. DOUGLAS. I thank the Senator from Oregon.

Mr. ENGLE and Mr. NEUBERGER addressed the Chair.

Mr. DOUGLAS. I will yield in a moment. I want to complete my statement on this point, and then I shall yield to the Senator from California, and after that I shall yield to the junior Senator from Oregon.

I think it is clear that we are most certainly asked to authorize the expenditure of an additional \$290 million, and in all probability the expenditure of \$480 million. This amount, added to the sum already appropriated in past years, will reach a figure well in excess of \$1 billion, and, in all probability will reach \$1¼ billion.

Mr. President, I have opposed reclamation projects on high land where the growing season is short and where the costs per acre have been extremely high. I opposed the irrigation features of the Upper Colorado Project. I think that was a very wasteful project, so far as the Upper Colorado project. I think that

As I have said, I have inspected this territory, and this is a different sort of project. This is probably the most promising irrigation project which can be carried out in the country. There is a growing season of approximately 365 days during the year.

If water is put on this land—and it is apparently proposed to put 28 inches of water, or something over 2 feet in depth, on each acre of the land—the land will blossom not like the rose, but will blossom like Jack's beanstalk. There are tremendous riches in this valley, and the land should be developed.

I wish to make it clear that although I have opposed irrigation projects in high altitudes where the costs are excessive, I am not opposed to this project. I believe that, taken by itself it is a proper expenditure of funds.

However, I address my opposition to section 6(a) which I hope the very fine Senators who are sponsoring the bill will agree to eliminate from the bill.

Section 6(a) would eliminate the application of the reclamation laws with respect to the land which in the future, will be serviced by water from the so-called State expenditures in raising the height of the dam above that provided by the Federal Government. Yet the State would use the Federal substructure and the facilities of the Federal Government that accumulate the water and make it available, without which the State investment would be ineffective.

If I may develop my argument a bit—

Mr. ENGLE. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I shall be glad to yield. I wish, though, to make one point clear. I hope my good friend the junior Senator from California, whom we are so happy to see in the Senate, who has made such a fine record in the House, and whose future is so promising, will agree to strike section 6(a) from the bill.

I now yield to the junior Senator from California.

Mr. ENGLE. I thank the Senator for his kind remarks, as well as for yielding to me.

Before the Senator proceeds to a discussion of section 6(a) I wish to clear up the question of distribution systems.

They have always been part and parcel of every major project. When a project is authorized, the authorization act authorizes the main structure, which creates a reservoir behind the dam, but it does no good to impound water in a dam unless it can be spread out over the land.

As a consequence, distribution systems have always been an integral part of reclamation projects. That is the approved method in Oregon, or wherever such projects are built. They do cost more money, but the building of such distribution systems is optional. Local interests can build them if they so desire. The Senator says they can request the Federal Government to do it. Of course they can, because after the Federal Government invests money to build a dam, it will make the necessary investment to get the water on the land. But that may not be the most economical way to do it.

Farmers have learned that they can build so-called flat land ditches very much cheaper, with their own capital, paying interest on it, than if the job is done by the Bureau of Reclamation. That was the reason I was able to get through the Congress a part of the present law with respect to small projects legislation, which provides for local construction of small and simple projects.

Distribution systems are nothing more nor less than flatland ditches. The farmers have been building them for years. They do not require all the engineering features of great dams such as Trinity, Shasta, Hoover, Bonneville, and many others. The farmers build them themselves. It is actually cheaper to build them in that way than to have the project go through the Bureau of Reclamation Office in Sacramento, have it cleared by the Reclamation Office in Denver, and brought back here for survey. We have found cases in which administrative costs in connection with building flatland ditches ran as high as 47 percent.

So if the farmers can borrow money at 6 percent or less, they often build their own distribution systems. That is why the provision in the bill is optional. If they can do it cheaper, they will do it, without cost to the Federal Government. That is what is done in many cases.

I am sure the Senator knows that at least 80 percent of the irrigation works in California have been privately built by irrigation districts and by the farmers themselves.

Mr. DOUGLAS. Mr. President, I am afraid my good friend misunderstands my argument. I may have mentioned distribution systems, in assessing the possible Federal expenditures authorized in the bill. But I wish to emphasize the fact that fundamentally what is proposed is the transfer of water from the northern part of California, where there is abundant rainfall, to the southern portion and the Central Valley, where there is a deficiency of rainfall. Is not that correct?

Mr. ENGLE. The Senator is correct.

Mr. DOUGLAS. Is it not true that the dams in upper California, north of Sacramento, federally financed, will, there-

fore, hold back the water and act as feeders for the system which is now going into effect in San Luis?

Mr. ENGLE. That is correct.

Mr. DOUGLAS. That is exactly the point. Past Federal expenditures, as well as those authorized in this bill, will contribute to this project.

Furthermore, is it not true that the water, coming south, will go through the Delta Mendota Canal, which has been federally constructed, and which I have inspected? Is not that true?

Mr. ENGLE. That is true of the Federal project. We are not talking about the State project.

Mr. DOUGLAS. If there is a State project, the water will also go through the Delta Mendota Canal, will it not?

Mr. ENGLE. No.

Mr. DOUGLAS. How will it get south unless it goes through the Delta Mendota Canal? And how will it get into the San Luis Reservoir itself, unless it goes through the Delta Mendota Canal?

Mr. ENGLE. The State will build its own system.

Mr. DOUGLAS. A duplicate system?

Mr. ENGLE. That is correct. The Delta Mendota Canal is full now, or soon will be full. The State project will be put on top of the Federal project, as a second story, or a second level, without any cost to the Federal Government.

Mr. DOUGLAS. Is the Senator now speaking of the dam?

Mr. ENGLE. Yes; I am. I do not wish to confuse the dam with the distribution system. I was talking about flatland distribution ditches.

Mr. DOUGLAS. The Senator was speaking of the final disposition of the water.

Mr. ENGLE. The Senator is speaking of the main canal.

Mr. DOUGLAS. Yes; and the reservoir, itself.

Mr. ENGLE. That is correct. With reference to those, there will not be a plugged nickel of Federal money in the State project, and everything the State does in order to put a bucketful of water on a square foot of land will be paid for with State money. That is the reason why we have a provision in the bill that the Reclamation law shall not apply to a wholly divisible, completely separate program that is paid for, lock, stock, and barrel—powerhouse and all—by the State taxpayers. Of course, the State legislature might see fit to impose a limitation of 160 acres. That is its decision. But the Federal Government should not say to the State government, "You must impose a limitation of 160 acres"—or any other limitation—with reference to money which the State itself spends. All the Federal Government has done has been to build the first story of the structure. The second story goes on at no cost to the Federal Government.

Mr. DOUGLAS. Is it possible to have a second story without a first story?

Mr. ENGLE. No.

Mr. DOUGLAS. Is it possible to have a second story without a foundation, without the expenditures of the Federal Government on the foundation at the original level? It would be im-

possible to have a second story without the Federal expenditures on the foundation and the first story.

Mr. ENGLE. That is true.

Mr. DOUGLAS. The Senator is trying to do what Solomon once proposed—namely, to cut a child in two at the center, and award one-half to one mother and the other half to the other mother. What is proposed is a unitary dam.

Mr. ENGLE. This is a fine partnership between the Federal Government and the State government. The State government will pay every nickel of its share. Not a penny of it will be charged to the Federal taxpayers. That is the reason for this provision in the bill. The projects are completely severable. They do not overlap or intermix.

Mr. DOUGLAS. It is the same dam, is it not?

Mr. ENGLE. It is the same dam.

Mr. DOUGLAS. The Senator says the projects do not intermix, even though they involve the same dam.

Mr. ENGLE. I am speaking of the lands on which the water is delivered. They are completely severable. That is why we have said to the State, "Put up your money if you so desire, and build a second story on the dam, increase its size, and spread the water out on lands in the State projects." Now it is proposed to say to the States that, with respect to State projects, a limitation of 160 acres must apply. Why not apply the 160-acre limitation throughout? Why not apply the entire body of Federal reclamation law, if Senators wish to be consistent? I would be against that, too. But if the Senator wishes to be consistent—

Mr. DOUGLAS. Would the Senator from California support an amendment of that type?

Mr. ENGLE. I certainly would not; and I do not intend to support the Senator's amendment, which picks out one provision of reclamation law and says, "We are going to apply it because these projects are intermarried."

Mr. DOUGLAS. They are not only intermarried; they are Siamese twins.

Mr. ENGLE. Then the Senator ought to pick up the Reclamation Act of 1902, as amended, and apply the whole of it. That is the way to be consistent. If the Senator wishes to be consistent, he should include it all—even power preference. That would make a fine, consistent argument. At least a little piece would not be picked out of the reclamation law, and we would not say to the States, "We are going to apply this particular part of the law, but not the rest of it."

Mr. DOUGLAS. I have great respect—and, indeed, affection—for both Senators from California. I think the real issues have been revealed. The question is whether the Reclamation law, and especially the 160-acre limitation, is to apply in this area.

Now my good friend from California says the 160-acre limitation will apply on the 440,000 acres of land which will be serviced by what is alleged to be wholly Federal water.

I would remind my friend of what he well knows, namely, that 120,000 acres of these 440,000 acres of land are owned by the Southern Pacific Railway. It is land which was given to the railway under a land grant for the construction of a railroad which was never constructed.

However I will waive that consideration. That occurred in the days of General Grant, in the days of the Credit Mobilier, in the days when the railroad barons dominated the Senate and the House, and when they bought Senators and Representatives at so much a head, as though they were so much livestock. I will waive that. That was 80 years ago. I will not question the right of the Southern Pacific Railway—

Mr. ENGLE. Mr. President, will the Senator yield for a correction?

Mr. DOUGLAS. I should first like to refer to last year's hearings, at page 196, in which the Southern Pacific Railway and the Southern Pacific Land Co. made a very clear statement. They said, in effect, that they did not intend to break up the 120,000 acres into 160-acre parts. I ask unanimous consent that the full text of the letter from the Southern Pacific Railway and its accompanying statement be inserted in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SOUTHERN PACIFIC CO.,
San Francisco, Calif., April 4, 1958.

Re Senate bill S. 1887.

Hon. CLINTON P. ANDERSON,
Chairman, Subcommittee on Irrigation and Reclamation, Senate Office Building, Washington, D.C.

DEAR MR. ANDERSON: Reference is made to exchange of telegrams concerning land owned by Southern Pacific Co. and Southern Pacific Land Co. within the San Luis unit of the Central Valley project.

Herewith statement of the above-mentioned companies with respect to its ownership.

Yours very truly,

L. FRANDSEN.

STATEMENT OF SOUTHERN PACIFIC CO. AND SOUTHERN PACIFIC LAND CO. WITH RESPECT TO ITS HOLDINGS IN THE SAN LUIS UNIT OF THE CENTRAL VALLEY PROJECT

The subject of this statement is future irrigation water development in the San Joaquin Valley and, in particular, the Feather River project and proposed San Luis unit of the Central Valley project as they affect our landholdings.

Southern Pacific Co. owns about 65,000 acres within Westlands Water District in Fresno and Kings Counties, and an additional 55,000 acres outside of (westerly and above), said district but within the so-called San Luis service area. The company also owns about 30,000 acres in southern Kings and Kern Counties which might be served by the Feather River project.

These lands are not being offered for sale, but are being held for long-range management purposes. Nearly all of the land is under agricultural-development leases varying in size from less than 1 section to about 30,000 acres.

The area in which our above-mentioned 120,000 acres are situated has been in agricultural production from irrigation wells for a considerable period of time. We are of the opinion that the acreage and other restrictions of the Federal reclamation laws should

not, and probably were not intended by Congress to apply to areas of going agricultural economy which need supplemental irrigation water.

We now favor State or local development and control of water resources, but welcome Federal aid provided the conditions thereof are reasonable and bearable. Further, we neither seek nor expect any Federal subsidy in the form of 40-year interest-free money, but are willing to pay our fair share of the irrigation benefits provided the capital and operating costs are such that the land and crops can afford same.

We are progressive and we are anxious to see steps taken to preserve and increase the economic welfare. We will expect to cooperate in any equitable and reasonable water program.

If it is determined that the Federal Government, rather than the State or a partnership or both, shall undertake this project we will wish to cooperate. However, there appear to be present serious inequities in the reclamation law.

In connection with present regulations dealing with Bureau of Reclamation recordable contracts, it is our understanding that the landowner may not participate in the land appraisal. This seems unreasonable. Another unreasonable feature is, we believe, the lack of provision for price adjustments over the years (many years may be required to sell landholdings such as ours) to account for inflation and other economic factors not directly related to surface water availability.

There is, of course, no existing contract between the Bureau of Reclamation and Westlands Water District. As the terms of such a future contract are unknown, we have no present basis for judging how much interest cost our lands would need bear in order to be free of reclamation law restrictions and what the water would cost.

We would like to sit down with people in the Bureau of Reclamation to see if figures could be developed relative to paying our way and retaining our land free of Federal restrictions. Also it would be interesting to us to learn how the sale of the tremendous acreage of excess lands would be handled in a case like this and whether the landowners would be required under recordable contracts to conduct active sale campaigns.

If a Federal program is decided upon at San Luis, we will wish to cooperate and trust that the terms provided for will be equitable.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I should like to continue briefly. I call attention to a very important sentence: "We are of the opinion that the acreage and other restrictions of Federal reclamation law should not, and properly were not intended by Congress to apply to areas of going agricultural economy which need supplemental irrigation water."

Of course, all this water is supplemental water.

This year, in the hearings, they made a direct statement in the House hearings, saying, in effect, that their position remains unchanged. They referred to their statement of last year, which I have not read.

Very briefly, that letter stated that our lands are not on the market. They are not for sale. We do not wish to sell our agricultural properties or our timber properties or our grazing properties any more than we wish to sell our main line railroad.

Therefore the Southern Pacific Railway, which has dominated politics in the State of California for many years, does

not intend to sell. While Hiram Johnson clipped some of its powers, it still has some powers in California about which my friend knows.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. What dire conclusion does my honorable friend draw from what he has just said?

Mr. DOUGLAS. I draw the conclusion that the Southern Pacific Railway does not intend to abide by the 160-acre limitation, even on the 440,000 acres which are said to be federally serviced.

Mr. KUCHEL. Let us analyze this very carefully, because I say respectfully that my friend from Illinois is wrong. First of all, my able colleague wishes to point out that the figure as the amount of property the railroad owns in this area, if my able colleague from California will give me his attention—

Mr. DOUGLAS. I have the statement of the representative of the Southern Pacific Railway. The statement shows that the railway owns 120,000 acres.

Mr. KUCHEL. Not in the Central Valley service area.

Mr. ENGLE. I know that the Senator from Illinois wishes to be correct. In the district 58,000 acres are in Federal service area. The other acres are outside that area.

Mr. DOUGLAS. Is the Senator saying that the other acres would be in the so-called State service area?

Mr. ENGLE. Not necessarily in the State service area, but they would be outside. 120,000 acres is correct, but only 58,000 acres are in the water district which is inside the Federal service area.

Mr. DOUGLAS. I should like to read a part of the statement which I previously inserted in the RECORD today, from page 196 of last year's hearings:

Southern Pacific Co. owns about 65,000 acres within Westlands Water District in Fresno and Kings Counties, and an additional 55,000 acres outside of (westerly and above) said district but within the so-called San Luis service area. The company also owns about 30,000 acres in southern Kings and Kern Counties, which might be served by the Feather River project.

That is water coming from the north. Therefore I believed I was correct in saying that the Southern Pacific Railway owns 120,000 acres in this area, and 30,000 more which will also be served when the water from the Feather River is brought down and given to the State for distribution.

Mr. KUCHEL. Regardless of the accuracy of the acreage figure—

Mr. DOUGLAS. Does the Senator challenge my accuracy?

Mr. KUCHEL. Yes. I believe my colleague corrected that figure.

Mr. DOUGLAS. I believe the Senator's colleague finally wound up by saying that the figures are correct.

Mr. ENGLE. They are correct, but they are used incorrectly. The figure is 120,000 acres. However, only 58,000 acres are within the Federal service area.

Mr. DOUGLAS. On page 196 of last year's hearings, the railroad company makes a statement to the contrary.

Mr. KUCHEL. If the Senator will permit me to do so, I should like to say, regardless of the precise and arithmetical correctness of the acreage owned by the railroad within the projected Central Valley service area, this record is going to be important, and I believe that the grounds of my able friend's objection ought to be spelled out most carefully.

Does the Senator from Illinois, because the railroad owns some property in the area and because it has said it is not willing to break up its domain, oppose building a Federal reclamation project in that area?

Mr. DOUGLAS. No; but I believe in making the Southern Pacific Railway Co. obey the law. It has stated pretty directly that it does not intend to obey the law.

Mr. KUCHEL. I do not believe the Senator is correct in that statement. When a Federal reclamation project is created and when supplemental water is available, if I am in the area and I am a large landowner, I do not have to take supplemental water if I do not wish to do so. I do not have to take it. However, if my friend nearby needs it, he has a right to take it.

I should like to say, if the Senator from Illinois will permit me to do so, that I anticipated this question and I have before me a memorandum which was prepared by the counsel of the Committee on Interior and Insular Affairs. It is a short statement, and I should like to read it into the RECORD at this point.

Mr. DOUGLAS. I shall be glad to have the Senator do so. However, may I ask the Senator whether the Southern Pacific Railway Co. has agreed that it is willing to sell its land into 160-acre homesteads?

Mr. KUCHEL. I will say frankly that I do not believe it has. I say also that the question is irrelevant, because both the Federal Government and the State government have stated the project is feasible. The matter does not rest on whether the railroad, which acquired the property long before my friend and I were born, intends to take certain action.

Mr. DOUGLAS. Before my friend reads the memorandum, I should like to ask him whether the proposed project will pay out if the Southern Pacific Railway Co., with its tremendous ownership, refuses to come in, or whether it now in effect has a sort of veto power over whether the project will pay out?

Mr. KUCHEL. I have the precise and the specific answer to that question in the memorandum.

Mr. DOUGLAS. I anticipated that the Senator from California would try to answer it. Therefore I thought I would put the question first.

Mr. KUCHEL. I am not only going to try to answer it, but I will say that this is the answer of the responsible counsel of the Committee on Interior and Insular Affairs. Let me read the statement to the Senator. It was written by Stewart French. The subject is Southern Pacific Railroad land in San Luis project. It reads:

SEC. 46. No water shall be delivered upon the completion of any new project or new division of a project until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or irrigation districts organized under State law. * * * Such contract or contracts with irrigation districts hereinbefore referred to shall further provide that all irrigable land held in private ownership by any one owner in excess of one hundred and sixty irrigable acres shall be appraised in a manner to be prescribed by the Secretary of the Interior and the sale prices thereof fixed by the Secretary on the basis of its actual bona fide value at the date of appraisal without reference to the proposed construction of the irrigation works; and that no such excess lands so held shall receive water from any project or division if the owners thereof shall refuse to execute valid recordable contracts for the sale of such lands under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary of the Interior.

Mr. DOUGLAS. Mr. President, may I interrupt the Senator to inquire whether he is reading from the law?

Mr. KUCHEL. Yes.

Mr. DOUGLAS. I am perfectly well acquainted with the statute. I suggest the Senator put it in the RECORD. I know that that is the law.

Mr. KUCHEL. I have already read the statute.

Mr. President, Mr. French, our committee counsel, continues:

On page 101 of the hearings on your S. 44 there is reprinted a communication addressed to Senator ANDERSON, as chairman of our Irrigation Subcommittee, signed by the manager of the land department, Southern Pacific Co., dated March 23, 1959, in which the company states:

Mr. President, I ask unanimous consent that that statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Please be advised that Southern Pacific is anxious to see both Federal and State of California water plans progress. We feel that the cooperative position in the San Luis legislation is excellent and do not wish to impede progress thereon. Therefore, we reaffirm our request that owners of land in excess of 160 acres be allowed the alternative of paying interest on the Federal irrigation investment and thus be allowed to retain their land holdings and obtain water for them.

Mr. KUCHEL. Mr. President, Mr. French then continues:

From the foregoing it is apparent that:

(a) Southern Pacific would not receive water for lands in excess of 160 acres under existing applicable law; and

(b) The company itself recognizes this limitation.

In the several hearings that have been conducted by the Senate and House Committees, no witness, either pro or con, has suggested that if Southern Pacific failed to participate as required by law, such failure to participate would in any way jeopardize the proposed project. In fact, the evidence is all to the contrary.

Therefore, it is my considered opinion—

Not the opinion of the Senator from California, but that of the counsel of our committee.

Mr. DOUGLAS. A very good man, too.

Mr. KUCHEL. An excellent man. I am glad the Senator from Illinois recognizes that fact. It hurts me that the Senator from Illinois does not hug unto his bosom the opinion which the able counsel of the committee submits.

Mr. DOUGLAS. This was not one of his better moments.

Mr. KUCHEL. That is the Senator's opinion; I disagree with him. Mr. French continues:

Therefore, it is my considered opinion that (a) Southern Pacific could get water for its lands in excess in the project area only if it signed a recordable agreement to dispose of such lands within a 10-year period; and (b) Refusal of Southern Pacific to enter into such an agreement would in no way jeopardize the project. The company itself has given formal recognition of both of the above facts to the committee.

Southern Pacific interests control 58,109 acres in Westlands Water District which are subject to the district tax whether or not they take any pay for water under recordable contracts.

Mr. NEUBERGER. Mr. President, will the Senator yield for a question?

Mr. KUCHEL. I yield.

Mr. NEUBERGER. I wish to ask a question with respect to Mr. French's able opinion. When he noted that the refusal of the Southern Pacific to enter into an agreement would not in any way jeopardize the proposed project, was he referring to imperiling it from a legal standpoint or from a feasibility of payout standpoint?

Mr. KUCHEL. From the latter—from the standpoint of economic feasibility.

Mr. NEUBERGER. It seems to me that that is a very important point.

Mr. KUCHEL. Counsel has just indicated to me that he agrees with what I said was the interpretation; that in indicating in his memorandum that the refusal of the Southern Pacific to enter into such an agreement would not in any way jeopardize the project, counsel meant it would not jeopardize it from the standpoint of economic feasibility.

Mr. MORSE. Mr. President, will my colleague yield at that point?

Mr. NEUBERGER. I yield.

Mr. MORSE. Simply because my question is on the point of the question he asked the Senator from California. I appreciate the courtesy of my junior colleague.

I am glad to reinforce the position of the Senator from Illinois by going back to the hearings on March 17, 1959, before the House committee. I may say, in regard to the French opinion, that we are taking care of it very well in our amendment. It makes the matter moot. Our amendment will take care of the course of action of the Southern Pacific Railroad one way or the other; but it is what the Southern Pacific Railroad plans to do, I think, that has become very pertinent now in this debate. The record is very clear, so I take the Senator from Illinois to page 219 of the House hearings of March 17 of this year. I would have him pay close attention to what the president of the Southern Pacific Railroad said on March 17, 1959:

Mr. ASPINALL. Mr. Van Loben Sels, is the area in which your company is interested a

part of the area which will be developed by the Federal Government, or the part to be developed by the State Department, provided it is a joint-venture project?

Mr. VAN LOBEN SELS. The majority of it is within the Federal area. We also own lands elsewhere which might come under State development.

As I think those of us opposed to section 6 will show in our part of the debate, the State development cannot take place without the Federal development, so we have inseparabilities. As the Senator from Illinois has been trying to point out, it is necessary to have the Federal dam first in order to have any project at all. The water simply cannot be separated into Federal water and State water. The fact is that this project was born of the Federal Government. It is necessary to keep in mind the fact that it is the Federal interest which, after all is said and done, remains paramount.

Continuing from page 220 of the hearings:

Mr. ASPINALL. The next question had to do with the question of my friend from Florida, Mr. Haley. It was whether or not you would make that area available to the 160-acre limitation provisions of the reclamation law, or whether or not you thought that would not be a part of the project.

Mr. VAN LOBEN SELS.—

He is president of Southern Pacific Railroad—

Mr. NEUBERGER. Is he not the president of the Southern Pacific Land Co.? I may be mistaken.

Mr. MORSE. The transcript shows him as associated with the Southern Pacific Railroad. From that identification, I took it to mean that he was president of the Southern Pacific Railroad; but maybe he is president of the Southern Pacific Land Co. At least, he is speaking authoritatively in regard to the Southern Pacific Railroad's land, about which the Senator from Illinois has been speaking.

I continue:

Mr. VAN LOBEN SELS. Mr. ASPINALL, Southern Pacific Co. wrote a letter last year to Senator ANDERSON's committee, which stated our position in the matter. It appears in the hearings on bill S. 1887.

Very briefly, that letter stated that our lands are not on the market. They are not for sale. We do not want to sell our agricultural properties or our timber properties or our grazing properties any more than we want to sell our main line railroad.

Mr. ASPINALL. Neither do you want to be put in a place where because of some development Uncle Sam goes in and takes care of that. You do not expect to receive any such profit.

Mr. VAN LOBEN SELS. We have stated we do not expect to receive any such profit, as you term it.

Mr. ASPINALL. If in the judgment of the committee they wished to tack on to this bill the provisions of the so-called Engle amendment, what would be your position on that?

Mr. VAN LOBEN SELS. We would be very happy if that were done. That would not be our first choice; our first choice would be to be excluded entirely from all of the implications of the 160-acre regulation.

There it is on the nose.

Mr. ENGLE. If the Senator from Oregon will yield, they did not get it.

Mr. MORSE. I want to tell the Senate what the Southern Pacific Railroad contemplates and what it will try to do, in my judgment, if section 6(a) stays in the bill. That is why I say that in my opinion, everyone who is trying to protect the 160-acre limitation with regard to Federal projects is in debt to the Senator from Illinois. I think the head of the Southern Pacific Railroad or Southern Pacific Land Co.—whichever he is—makes perfectly clear what they have in the back of their mind; that is, to do everything they can to follow a course of action which will free them from the 160-acre limitation.

Mr. DOUGLAS. I thank the Senator from Oregon.

Now, I am glad to yield to the junior Senator from Oregon, who has made a deep study of the subject and who has been a stalwart fighter in trying to preserve the family-sized farm in the United States.

Mr. NEUBERGER. The Senator from Illinois is overly generous, as usual. I am grateful to him.

I am pleased to join with the distinguished Senator from Illinois and with my colleague, the distinguished senior Senator from Oregon, in the sponsorship of the amendment. I voted for the San Luis project as a member of the Committee on Interior and Insular Affairs. I favor the project.

Mr. President, although S. 44, the San Luis project, was cleared by the Senate Interior and Insular Affairs Committee without adverse votes, I think that further analysis and study reveals the necessity for improving the bill to assure continuity of national water policy.

It has been brought to my attention that section 3g of the bill states:

The Secretary may turn over to the State the care, operation and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State.

I have received a number of letters and telegrams expressing apprehension that this may open the way for circumvention of the 160-acre limitation which is an historic part of reclamation law.

I ask consent to include a letter from the coordinator of the National Farmers Union dated April 10, 1959, detailing some of these objections and a telegram sent to me by the California Labor Federation, AFL-CIO, explaining that organization's views on shortcomings of the bill. These individuals are Angus McDonald and C. J. Haggerty, respectively.

I do not believe that the 160-acre limitation should be breached through approval of the San Luis project authorization. There may be some special circumstances—for reasons of climate, terrain, and other farming factors—which would justify revision or exemptions from the acreage limitation. I do not think those conditions apply to the area affected by this bill.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, D.C., April 10, 1959.

Hon. RICHARD L. NEUBERGER,
Interior and Insular Affairs Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR NEUBERGER: I call your attention to S. 44 and H.R. 5687, companion bills which would authorize construction of the San Luis project in California. These bills contain language which would permit the undermining of Federal reclamation law.

The bill reads in section 1: "In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws * * * except so far as provisions thereof are inconsistent with this act."

Section 3g reads: "The Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State."

We do not believe these sections provide an out and out exemption but we feel they leave the door open, and that in light of the four special circumstances existing on this project, additional, and special precautions are necessary. The special circumstances are:

(1) This is a joint State-Federal project and even under most favorable conditions, difficult administrative problems would arise.

(2) The so-called Federal service area is dominated by large landholdings. Some 12 percent of the owners hold title to over 75 percent of the land.

(3) One firm, Southern Pacific Railroad—admits to owning about 120,000 acres in the area—checkerboarded in odd-numbered sections. According to the Bureau of Reclamation this firm has indicated that it would not comply with reclamation law.

(4) Among other large owners in the San Luis are Anderson-Clayton (largest cotton marketing firm in the world), Boswell interests, and O'Neill interests, all of whom own land in the service area of an existing and adjacent Federal project (Pine Flat) which is supposed to be administered under reclamation law, but is presently operating outside that law because these same large owners have been able to stall on the signing of a permanent agreement. They have been receiving water for 5 years in violation of the law.

In light of these four special circumstances in the Federal service area we propose an amendment which would require excess landowners in the Federal service area to sign recordable contracts before construction begins. We feel there should be no objection to such a proposal if it is desired that reclamation law be strictly enforced in the Federal service area.

Such an amendment should secure reclamation law as far as the so-called Federal service area. The bills also contain specific exemptions for the so-called State service areas. These exemptions are included in section 3f, which reads in part: "The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint use facilities for water service outside the Federal San Luis unit service area;" and section 6 which reads: "The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area."

Proponents of these bills argue that the Federal reclamation law cannot apply to a project or part of a project which is paid for by the State. But we wonder about possible application of the Warren Act which requires that all waters passing through a Federal

facility be subject to the law. We also are aware that the State is not constructing its project even outside of San Luis without Federal help.

The Federal Government will be providing nonreimbursable items such as flood control for the State's Oroville Dam and other facilities of the so-called State project.

This situation also raises serious policy questions. Is the Federal Government going to get the State water program underway at San Luis? Then help it along with nonreimbursable items? While the State steps in only just before the point at which reclamation law would be applied?

It appears to us that the large landowners in California's most fertile central valleys are preparing to hop on a gravy train at the expense of both Federal and State taxpayers.

Sincerely,

ANGUS McDONALD,
Coordinator.

SAN FRANCISCO, CALIF., April 15, 1959.

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.:

I have not yet received printed copy of hearing on S. 44, San Luis unit, Central Valley project. We have information that hearings remain unpublished although bill has been reported. Is this so? S. 44 opens door to vast water grab in California. The California Labor Federation, AFL-CIO, representing 1½ million members and insisting that San Luis bill shall comply strictly with Federal reclamation laws, requests access to published hearings. If S. 44 reaches floor of Senate with hearings unprinted and without ample time for public examination we request you read this telegram into the printed RECORD of the Senate and use our influence to postpone debate until hearings are printed and distributed to us and to other interested citizens. We desire to offer informed advice to Senators charged with responsibility for deliberation and decision. No bill such as S. 44 that raises issues of great principle and great substance, and in our opinion, endangers the public interest ought to be permitted to escape closest public scrutiny for lack of publicity and time for consideration.

C. J. HAGGERTY,
Secretary-Treasurer, California Labor
Federation, AFL-CIO.

OAKLAND, CALIF., April 27, 1959.

RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.:

Urgent fight for unqualified 160-acre limitation in San Luis bill on behalf of California Democrats who seek a State limitation but are deceived into supposing this bill all right.

KEITH MURRAY.

SAN FRANCISCO, CALIF., April 27, 1959.
Re San Luis bill

RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.:

Urgently request you exert energies to fight for 160-acre limitation, to apply without qualification.

MARY LOUISE ALLEN,
State President, California Federation
of Young Democrats.

Mr. NEUBERGER. I do not believe the 160-acre limitation should be breached through approval of the San Luis project authorization. Let us approve the project but retain the historic limitation.

I wish to explain what I regard as Oregon's specific interest in this matter. Unlike the State of Illinois, in the area east of the Cascade Range in Oregon, those who operate farms are often de-

pendent upon irrigation for their supply of water. The Senator from Illinois well knows that. He has tramped over much of Oregon, and he, himself, was a very illustrious member of the faculty at Reed College, one of the great educational institutions in Oregon.

We in Oregon regard California as one of our very best customers. This year marks Oregon's 100th anniversary of statehood. In 1849, 10 years before Oregon became a State, Oregon's economy really got started by the supplying of food to the gold rush immigrants to California. Furthermore, we know that the people of California will purchase a great deal of Oregon lumber and a great many of Oregon's rich agricultural products. But we also recognize that the 160-acre limitation applies to the reclamation projects in our own State—both those already in existence and those presently being constructed.

We in Oregon want California to prosper. That is why I have been pleased to support the San Luis project as a whole; and I feel certain that my distinguished senior colleague [Mr. MORSEL] agrees with this. We know that as California prospers, Oregon and other nearby Western States with lesser populations will also prosper.

But, Mr. President, if the 160-acre limitation is breached in California, such action will set a precedent by means of which the 160-acre limitation can be breached throughout the West. After all, if, through a participating agreement with the State of California, the 160-acre limitation can be breached, similar participating agreements could be entered into with Oregon or Idaho or Washington or Montana or any of the other great Western States in which irrigation projects are located. It seems to me that if the 160-acre limitation was undermined—and that limitation dates back to the administration of President Theodore Roosevelt—and if it were undermined in that way—such action would constitute a precedent by means of which all the other Western States would be able to request a similar prerogative.

So it seems to me, Mr. President, that in Oregon and Washington, for example, there are a good many irrigation projects where State participating undertakings could be added. By adding them, they could do away with the 160-acre limitation in the domains which come under State jurisdiction. Once that happened, it seems to me there would be increasing difficulty in retaining the 160-acre limitation in the Federal portions of the projects, all over the West. I think it is important to emphasize that point.

If a reclamation project has both a Federal portion and a State portion, how can such an arrangement work effectively? The great President of the United States who founded the Republican Party—the immortal Abraham Lincoln—once said that there cannot be a nation that is half slave and half free. I realize that historic utterance does not apply to an undertaking as comparatively unimportant as this one, as re-

lated to the future of chattel slavery in the United States.

But in the case of the 160-acre limitation—and 160 acres are just about enough to support one family—if there were nearby vast agricultural empires which might involve 20,000 or 30,000 acres, it seems to me that the 160-acre limitation on the Federal projects would inevitably be doomed; I do not see how it could continue. I do not believe that those who farmed on the Federal side of a canal would be satisfied with 160-acre holdings, when they saw, on the other side of the canal, vast holdings of 20,000 or 30,000 acres. You could not mix tiny homesteads with immense agricultural kingdoms.

So that is why I support the distinguished Senator from Illinois [Mr. DOUGLAS] and the distinguished senior Senator from Oregon [Mr. MORSE] in the amendment they have submitted to this otherwise very fine bill.

Mr. MORSE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. Yes; but first I wish to thank the junior Senator from Oregon [Mr. NEUBERGER] for his very statesmanlike and clear statement on this issue.

Mr. MORSE. Mr. President—

Mr. DOUGLAS. Now I am glad to yield to the senior Senator from Oregon.

Mr. MORSE. Mr. President, I wish the RECORD to show that I associate myself completely with the views which have just been expressed by the distinguished junior Senator from Oregon. I think he has pointed out unanswerably the position of the State of Oregon in regard to water-resource-development projects; and I am sure he will share my point of view when I say now to our two good friends in the Senate, the Senators from California [Mr. KUCHEL and Mr. ENGLE], that we are never happy to find ourselves at any variance—even over a matter such as this one in the bill—a variance which I say to them they could resolve very helpfully, for purposes of future reference, in support of our common western projects. I think the elimination of section 6(a) of the bill would not in any way jeopardize this great project which the two Senators from Oregon and the Senator from Illinois are enthusiastically supporting; in fact, we really think we are the best “friends in court” of the Senators from California, although they do not appreciate it this afternoon. But I think that in due course of time they will see that we are protecting their long-term interests.

At this time I wish to place in the RECORD, if the Senator from Illinois will permit me to do so, further rebuttal of the statements made by our dear friends, the Senators from California, who a few minutes ago made an argument which I believe is not borne out by the facts, as the record itself will show.

First, let me refer to page 222 of the hearings of March 17, where again Mr. Van Loben Sels testified in behalf of the Southern Pacific Railroad. On that occasion he was asked questions by a colleague of the two Senators from Oregon—Representative ULLMAN, a Member

of the House of Representatives, who happens to be a member of the House committee which has jurisdiction of this subject matter.

I read now from page 222:

Mr. ULLMAN. Just a short question, Mr. Chairman.

Mr. Van Loben Sels, how much land do you have that would come under the proposed Federal project?

Mr. VAN LOBEN SELS—

And I assume that he knows what land his company has—

The figure we have quoted is 120,000 acres.

Mr. DOUGLAS. Mr. President, that is precisely what I have been contending—namely, that it is 120,000 acres in the Federal water service area. So I hope this RECORD now can be made crystal clear that it is not 55,000 acres. It is 120,000 acres, plus an added 30,000 acres outside the Federal service area that may be served by the so-called State project which would be made possible by the joint Federal facilities.

Mr. MORSE. I think the Senator from Illinois is correct.

I wish to quote further from the statements made at the hearings by the spokesman of the Southern Pacific Railroad Co.:

There has been some deletion from that, because the Federal Government recently condemned some for a naval air station. That is in the courts now.

However, the amount required for the Naval Air Station would be relatively small.

I read further from the hearings before the House committee:

Mr. ULLMAN. How is this land being utilized today? Do you have a breakdown of that, of the land use today?

Mr. VAN LOBEN SELS. It is all under agricultural lease. It is all under irrigation, but not all of it is irrigated every year. It is being farmed under lease to actual operators on the property, to crops that are typical of that area, which I think were mentioned previously. But they include grains, cotton, melons, various seed, grass seed and alfalfa seed crops, a few more of the specialized crops, like potatoes and carrots, and other vegetables.

Mr. DOUGLAS. But they are very high yield, high value crops.

Mr. MORSE. However, Mr. President, what is the declaration of intent on the part of the Southern Pacific Railway Co.? It is to get water every year—to get enough water so it can operate year in and year out. That is obviously what the company is after and what it hopes to accomplish by means of this bill. So let us face up to that reality.

I read further from the House committee hearings:

Mr. ULLMAN. It is all relatively flat land, then, and all under cultivation; is that right?

Mr. VAN LOBEN SELS. It is all under cultivation. A lot of it has been leveled and brought to grade for surface irrigation. Some of it is sprinkler irrigated, and it is more of a rolling type.

Mr. ULLMAN. How long have these lands been owned?

Mr. VAN LOBEN SELS. We acquired this land during the 1860's, 1870's, and 1880's.

Mr. ULLMAN. In what manner?

Mr. VAN LOBEN SELS. They were acquired through Act of Congress as part of the consideration for building the western railroads.

Mr. DOUGLAS. May I interject? Acquired in this case for building a railway which was never built.

Mr. MORSE. I was going to digress to point that out. I shall touch upon it in the major speech which I shall make on the floor of the Senate. I emphasize—a railroad which it never built.

I continue to read:

Mr. ULLMAN. They were part of the Land Grant Program?

Mr. VAN LOBEN SELS. Commonly termed that.

Mr. ULLMAN. The railroads, of course, developed whatever water facilities they have?

Mr. VAN LOBEN SELS. Actually, our lessees did it as part of the lease, but we in effect did so. It was done under our direction.

Mr. ULLMAN. The railroads farmed none of this land directly? It is all leased?

Mr. VAN LOBEN SELS. That is correct.

Mr. ULLMAN. That is all, Mr. Chairman.

I only want to say I have offered this for the RECORD to reinforce the position taken by the Senator from Illinois, and I would only add that this almost becomes one of the “Now you see it, now you don’t” affairs when a discussion is had of a Federal interest in a State project.

I shall insist, so far as my presentation throughout this debate is concerned, that we must look at the origin. We must look at what really creates the project; what brought it into being, and consider why do we have this trouble on the floor of the Senate? What is it? The Federal project. Without the Federal participation in this this matter this problem would not be presented on the floor of the Senate this afternoon. Therefore, I want to say to my very good friends from California, we are not hurting them by suggesting that section 6(a) be eliminated. In my judgement, in the future it is possible that will be in a much stronger position if they accept the amendment of the Senator from Illinois and take it to conference.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, may I ask who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. I shall yield in a moment. First I should like to make a statement of my own.

I wish to rivet down, without any possibility of contradiction, the facts of the ownership of the Southern Pacific Railway and the extent of that ownership. The Senator from Oregon has pointed out that out of their own lips they have said they own 120,000 acres in the so-called Federal service area.

Let me call attention to the fact that the Associate Commissioner of Reclamation, testifying before the Senate committee itself, stated that the Southern Pacific Railway owns approximately 120,000 acres of land in the service area, 65,000 of which are in the Westlands district, which is one district in the area.

Then the Senator from Oregon quoted the statement the representatives of the Southern Pacific made before the House

committee on March 17. Let me now quote another statement which they made on March 23, 6 days later, in a letter to the Senator from New Mexico [Mr. ANDERSON], published on page 101 of the Senate hearings.

Mr. ENGLE. Mr. President, if the Senator will yield, Was he talking about the Federal service area or the whole?

Mr. DOUGLAS. The Federal service area. He stated:

It is now our desire to reaffirm our previous position, that our agricultural properties are not for sale. They constitute an important natural resource asset of our organization, and we need them to maintain our diversified position in the economy of the Western States.

They want to be in the land business as well as in the railway business.

Now let me turn back for a moment to the opinion of the counsel for the Interior Committee referred to by the Senator from California [Mr. KUCHEL]. I give due weight to counsel's opinion that the project might be possible and feasible even if the Southern Pacific carries out its intention not to come in under the reclamation law or to sell its excess holdings. But I have very serious doubts. I have seen some detailed maps showing that the Southern Pacific owns a precise checkerboard of land in some of these areas.

I may say that was the tendency in the distribution of railroad land. They would take a section of land on the north of a railroad, or on the west of a railroad, skip another section, then take a section, then alternate on the south side of the line or the east side of the line, a section opposite the section which it held, and then skip. So that the railway holdings on the western lines as given by the land grant steal which some of the great founders of California put through in the 1860's and 1870's—

Mr. KUCHEL. The Senator is not visiting that sin on the two Senators who represent that State now, is he?

Mr. DOUGLAS. No; I am just reminding them of the unholy origins of the action. It was conceived in sin and begotten in iniquity.

Mr. KUCHEL. By some of my friend's Democratic forebears.

Mr. DOUGLAS. For every Democrat who participated in the scandal of the Credit Mobilier, there were at least 20 Republicans. It is true that they made James Brooks, of New York, something of a "fall guy"; but if one goes over the list of persons who participated in the stock of Credit Mobilier and who assisted in the land steal, he will find it consisted of prominent Republican Members of the House and Senate, including the then Vice President whose bust is upon the wall of this Chamber.

Mr. KUCHEL. I will stipulate it was bipartisan iniquity.

Mr. DOUGLAS. As is usual in cases of political iniquity, 5 percent were Democrats and 95 percent was Republicans.

Mr. KUCHEL. I question the Senator's arithmetic.

Will the Senator yield?

Mr. DOUGLAS. No; I want to complete this statement first.

I cannot see physically how the facilities can be constructed so as economically to serve the other lands with the Southern Pacific's checkerboard land taken out.

What I really suspect is that the Southern Pacific hopes to get the water and get away from acreage limitations at the same time.

The Southern Pacific's letter to the Senator from New Mexico [Mr. ANDERSON] to which I have referred bears this out:

We reaffirm our request that owners of land in excess of 160 acres be allowed the alternative of paying interest on the Federal irrigation investment and thus be allowed to retain their land holding and obtain water for them.

Mr. KUCHEL. That situation is taken care of by the bill.

Mr. DOUGLAS. The provision that reclamation law shall be applied by the Secretary of the Interior in the San Luis unit, is in the bill. But I have seen enough of the operations in the Department of the Interior in Pine Flats, and so forth, to know it is one thing to get it in the law, and it is another thing to get it carried out as you face a mighty combination of landowners.

Mr. ENGLE. There will be a Democratic administration soon, and the law will be enforced.

Mr. DOUGLAS. It will be enforced a little better, but not necessarily well, because sometimes Democratic Secretaries of the Interior go sour, too.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. If I may say so, I notice that the interests that are trying to operate against the welfare of the country have representatives in both parties and they operate inside both parties.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. Yes; I yield.

Mr. KUCHEL. I appreciate the Senator's yielding.

Mr. DOUGLAS. I yield for a question only.

Mr. KUCHEL. Will the Senator yield for a series of questions?

Mr. DOUGLAS. I yield for one question.

Mr. KUCHEL. I can hardly get started with one question.

Mr. DOUGLAS. Very well.

Mr. KUCHEL. Let me ask the Senator from Illinois this question: If I heard him correctly, he proposes to strike out that section by which it is clearly provided that the State system shall be exempt from Federal reclamation law. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. KUCHEL. If that section should be eliminated—

Mr. DOUGLAS. I hope it will not be necessary for me to offer the amendment. I hope the Senators from California, in their desire to get this project completed and to preserve the family-sized farms, will accept the amendment.

Mr. KUCHEL. Let me ask my next question.

Mr. DOUGLAS. Does the Senator dash my hopes in this way?

Mr. KUCHEL. Let me see whether my hopes, too, are being dashed.

If the Senator's amendment were to be adopted, then the Senator would be in favor of the project; is that correct? The Senator said that, did he not?

Mr. DOUGLAS. Yes; I think so.

Mr. MORSE. I would be.

Mr. DOUGLAS. Yes, I think so. I will say in this connection it is a great sacrifice for the interests of the Middle West to support any of these reclamation projects, because it means bringing into more intensive cultivation competing land.

Mr. KUCHEL. Very well.

Mr. DOUGLAS. Wait a moment. I am trying to impress the Senator from California with the fact that I am taking a national point of view on this issue despite the competitive aspects of the project.

Nevertheless, I think it is in the national interest that this amazingly fertile land should have water applied to it.

Mr. KUCHEL. Very well.

Mr. DOUGLAS. But I want to have water applied to the land so that we will preserve the small farm, the family sized farm, and break up the huge estates which evolved from the Spanish hacienda system which dominated the Central Valley and tended to stifle democracy in that area.

Mr. KUCHEL. If the Senator supports the proposed legislation, assuming that the amendment he has in mind is agreed to—

Mr. DOUGLAS. Is it not going to be accepted?

Mr. KUCHEL. Then would the Senator understand that the proposed legislation would call for a dam to be used by the State government and by the Federal Government as well?

Mr. DOUGLAS. Let me point out to my good friend—

Mr. KUCHEL. Will the Senator answer that question?

Mr. DOUGLAS. I will answer it in my own way.

May I ask my good friend, if the acreage limitation feature of reclamation law is removed from the so-called State service land, how can we maintain an acreage limitation on the so-called Federal service land? One can no more have those two systems existing side by side than he can divide the reservoir which has been created with Federal money and the superstructure created with State money, or divide the dams that gather the water in the north, or pay the cost of putting on—is it a second story?

Mr. KUCHEL. My friend has not answered my question.

Mr. DOUGLAS. Wait a moment. Is it a second story on the Delta Mendota Canal?

Mr. KUCHEL. My friend has not answered my question. I cannot make my friend answer the question, but he should answer it.

Is the Senator from Illinois prepared to accept the philosophy of the bill without the section to which he objects, under which a dam of 2 million acre-feet would

be created, a part of which would serve a State system and another part of which would serve a Federal system? Is the Senator in favor of that?

Mr. DOUGLAS. I am not prepared to support such a system with Federal funds and facilities unless it carries with it a universal application of the 160-acre limitation.

Mr. KUCHEL. Let the RECORD be clear. Does that mean the Senator is going to subject the people of California to an acreage limitation under Federal reclamation law?

Mr. DOUGLAS. I am trying to save the people of California from the unwitting efforts of the senior Senator from California to perpetuate the system of big land holdings.

Mr. KUCHEL. The Senator is objecting to what the senior Senator from California, the junior Senator from California, the Governor of California and the Legislature of California all have asked the Congress to approve.

Mr. DOUGLAS. They want the project of course. But I do not think they want to abandon the 160 acre limitation.

I came to the Senate chamber this afternoon prepared to believe that once we stated the case the senior Senator from California and the junior Senator from California would withdraw section 6(a).

Mr. KUCHEL. Let me ask the Senator a few more question.

Mr. DOUGLAS. The Senator is disappointing me.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. This is not in keeping with the Senator's usual attitude toward these issues. Usually the Senator from California is for the public interest.

Mr. KUCHEL. I want to be.

Is it not true the bill specifically provides that the Secretary of the Interior shall construct the dam under Federal reclamation law? Is that not the truth and the fact?

Mr. DOUGLAS. Yes. That is correct.

Mr. KUCHEL. Then how can the Senator say that anyone is trying to evade or violate any section of the Federal reclamation law?

Mr. DOUGLAS. It is true that the discussion thus far has been primarily centered upon some 440,000 acres which will be furnished with water from the Federal portion—or from the attempted Federal portion—of this project. Thus far there has not been much discussion as to what would happen on some 440,000 or 500,000 additional acres—we really have not been informed just how many—to be serviced with the additional 1 million acre-feet of water.

Mr. KUCHEL. It will be the rest of the State, if I may interrupt the Senator.

Mr. DOUGLAS. The Senator calls that State service land. Yet in order to construct the San Luis Reservoir we must have prior Federal investment. Indeed, we had to have prior Federal investment upstream on the dams and reservoirs north of Sacramento.

Mr. KUCHEL. Does the Senator object to that?

Mr. DOUGLAS. No. That has been done.

But those projects will be utilized.

Furthermore, I should like to ask another question of my good friend the junior Senator from California, who has such a bright future before him. How are we going to bring water from northern California down to the reservoir if we do not use the Delta Mendota Canal?

Mr. ENGLE. They will build their own canal.

Mr. DOUGLAS. Will it be alongside that canal, or above it?

Mr. ENGLE. Just a little above it.

Mr. DOUGLAS. A second story?

Mr. ENGLE. No; it will not be on top, but it will be placed horizontally a little over the canal.

Mr. DOUGLAS. Will they not utilize a part of the construction for the Delta Mendota Canal, which has been constructed by the Federal Government?

Mr. ENGLE. That is not the present plan.

Mr. DOUGLAS. Oh, it is going to be like our subway.

Mr. ENGLE. They will pay for it.

Mr. DOUGLAS. It will be one subway, and then another subway; is that correct?

Mr. ENGLE. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. ENGLE. Does the Senator believe that if section 6(a) is stricken from the bill the reclamation law will apply to the State projects service area?

Mr. DOUGLAS. Yes, I do; and I want to make a record to show clearly that it would.

Mr. ENGLE. I want to make a record which is very plain indeed that in my opinion the section is surplusage. It is merely a statement of what the law is.

Mr. DOUGLAS. If it is surplusage, then eliminate it.

Mr. ENGLE. The people affected want this additional assurance.

Mr. DOUGLAS. Who are they? What people?

Mr. KUCHEL. I will tell the Senator what people they are. They are the people of southern California.

Mr. DOUGLAS. Does the Senator mean the big landowners of the Central Valley?

Mr. KUCHEL. I do not mean the big landowners of the Central Valley.

Mr. DOUGLAS. The Kern County Land Co.? The big land interests?

Mr. KUCHEL. I do not mean them. I mean the city government of the city of Los Angeles.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. KUCHEL. They are interested in getting supplemental water, so that when the housewife turns on the water tap she can get water.

Mr. DOUGLAS. Now the Senator is talking about city water, and I am talking about irrigation water. Surely the Senator does not oppose the application of the 160-acre limitation if he is just considering water distributed in the city of Los Angeles. It is in the Central Valley that this issue arises. Let me say to my good friend from California that he has made a moving plea on behalf of the residents of Los Angeles. How would the people of Los Angeles be hurt by

omitting section 6(a), which would in effect provide a 160-acre limitation in the Central Valley? That has nothing to do with Los Angeles.

We want Los Angeles to have water; but with respect to the water which goes on the land in the Central Valley, we believe in the family-sized farm, the American system. We do not want the Spanish system. We do not want the hacienda system, or the system of Mexico, which California had when it joined the Union. We do not want a system with a big manor house on the hill, and farm laborers living in hovels. We want a system in which the owner is the cultivator. That is the basis of American agrarian democracy.

Mr. KUCHEL. Does the Senator from Illinois believe that the State of California, through its State government, should determine what laws should govern the use of water in a State system of water distribution, paid for by the people of the State?

Mr. DOUGLAS. In reply, let me make two comments.

First, it is not a pure State system. It is inextricably mixed with a Federal system.

Second, I do not believe that the people of California have ever declared themselves in favor of huge estates. So far as I know, they have never said that they want a system of big landed estates. If my friend from California thinks that is what they want, let him propose it in a referendum, or bring it up before the Legislature of the State of California.

Mr. KUCHEL. The Senator has not answered my question.

Mr. DOUGLAS. The owners of the big estates cannot get what they want by State action alone. They also need Federal help, and they think they can come to Washington, with no one greatly concerned over the issue and push their proposal through Congress on favorable terms to themselves.

Mr. KUCHEL. The Senator has not answered my question. Does he believe that the people of California should have the right, by State law, to determine how water is to be used in California under the State system?

Mr. DOUGLAS. I do not believe that large landowners should be able to come to Congress and obtain an exemption from the Federal law.

Mr. KUCHEL. I respectfully submit that that is not answering the question.

Mr. DOUGLAS. There is a Federal responsibility in this connection. If the State of California would enact the Federal reclamation law, we might cede authority to the State of California. But if the State of California is to subvert Federal law on a joint Federal-State project, I am not for it.

Mr. KUCHEL. That is another way of saying that the able Senator from Illinois proposes to compel the people of California to apply the Federal reclamation law to a State project, if the two systems, State and Federal, happen to cross in a single reservoir.

Mr. DOUGLAS. The people of Illinois are paying taxes, and have paid taxes, to build these dams, reservoirs,

conduits, and irrigation systems. They have paid taxes against their own economic interests, because they believed it was in the national interest; and I am ready to continue to do so, but on the condition that the money which we contribute shall be used to maintain agrarian democracy, and not huge agrarian estates. We are willing to have money spent for a democratic—with a small "d"—farm system, but we do not want to have it spent to build up the power and strength of huge landowners.

It is well known that in California a large portion of the land is locked up in huge estates. I say that is an evil inheritance from Spanish and Mexican days, and it is a good thing to get rid of it as soon as possible, instead of perpetuating and strengthening it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I should like to have the attention of the two Senators from California for a moment.

I wish to pay my very high compliment to the able Senator from Illinois for the very brilliant record he has made on this issue this afternoon. He has set forth very clearly—I happen to think unanswerably—a public policy position which some of us in the Senate have held to for many years, in regard to protecting what we think is the public interest in the so-called 160-acre limitation provision.

The record has been made. I suggest to the two Senators from California that they ponder that record between now and Thursday afternoon. I assure them that the Senator from Illinois and the two Senators from Oregon are very reasonable men. We shall be open to conversations and conferences.

As I have listened to this debate, and particularly to some of the questions the two Senators from California have been asking the Senator from Illinois—

Mr. ENGLE. Mr. President, will the Senator yield for a question?

Mr. MORSE. In a moment.

There is something in my sense of intuition which leads me to believe that this debate might be very short on Thursday. I say this because I believe that conferences might result in some understanding between now and Thursday which would keep faith with the great principle which the Senator from Illinois has so brilliantly defended this afternoon.

I have the feeling that that would be the smart course of action for us to take tonight.

The Senator from Illinois has made a great record. Those of us who are standing in the background with reinforcements would like to suggest that we wait until Thursday, if it becomes necessary to give the Senator from Illinois any reinforcement. I believe that a study on the part of the two Senators from California of the record made this afternoon by the Senator from Illinois might make unnecessary any prolonged discussion Thursday afternoon.

Mr. ENGLE. Mr. President, will the Senator yield in order that I may propound a question to the Senator from Oregon?

Mr. DOUGLAS. I believe I still have the floor. I yield.

Mr. ENGLE. Does the Senator from Oregon agree with me that if we were to strike out section 6(a) we would not apply the reclamation law outside the Federal service area?

Mr. MORSE. Let me say to the Senator from California that I think that is exactly the kind of discussion which we had better have in conference between now and next Thursday.

Let me tell the two Senators from California what I would do if I were in their position. I would accept the amendment of the Senator from Illinois and run just as fast as possible with the bill to get it to the White House for signature. I do not believe we should take any chances with it.

Therefore I suggest that we close the debate tonight. Between now and Thursday we might find ourselves reaching an acceptable understanding, so that there would be a very short debate on Thursday.

Mr. KUCHEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. DOUGLAS. I have not yielded the floor, but I am glad to yield to my friend from California.

Mr. KUCHEL. There are some Members on our side of the aisle who would like to debate the proposed legislation. They have indicated to me that they would prefer to have further consideration of the bill postponed until Thursday.

I have talked with my colleague from California, and we both agree that what the Senator from Oregon has suggested would be in the public interest.

Mr. DOUGLAS. I thank the Senator from California. My faith in the Senator from California, which is deep and warm, finds reassurance, after being temporarily dimmed by the doubts he expressed about our proposed amendment. [Laughter.] I think he has made a good suggestion, but before the Senate adjourns for tonight, I wish to deal with the point raised by the junior Senator from California [Mr. ENGLE].

The question of what the State does in connection with a State project is irrelevant to the question now before the Senate. The question now before the Senate involves a joint project, in which large sums of Federal money are involved, and existing Federal structures are to be used, including Federal dams in northern California, as well as the Federal share of the dam at the San Luis Reservoir.

Therefore, this is not the injection of a Federal provision in a purely State project, but the assertion of Federal protections in a largely Federal project.

In closing, I wish to put into the RECORD this fact: One of the big issues before the Nation is whether we are to have concentrated ownership or diffused ownership. Some people think this is an issue which is to be fought out solely in the industrial field—small business as compared with huge business, or with respect to antitrust policies.

The issue, however, relates to land and farming as well. I happen to be one—

and I believe the American people agree with me—who holds that farming should be based on the family-sized farm, and that there is no real place in America for huge estates, with a few owners and a large number of farm laborers.

I have traveled through the Central Valley, and I have found communities in which virtually everyone is a laborer, leading a rather miserable life, I may say. Very frankly, I did not regard that as a part of the American tradition.

There are other communities in the valley where the land ownership is diffused, and where there is independent ownership and where self-respecting, independent people live. That to me is what America has meant in the past and what it should mean in the future.

I do not wish to see concentrated land ownership not only hold its own, but increase its grasp on these rich resources. When water comes to the valley, land which previously was worth little will be worth a great deal. Yields will multiply. The power of those holding the land will be enormously increased.

In my judgment the Federal expenditure of funds should be used to lay a broader basis for economic democracy in the Nation, and not a more restricted basis.

Inasmuch as the discussion is to be continued on Thursday, I shall yield the floor. I send an amendment to the desk, which I offer on behalf of the two Senators from Oregon and myself, and ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. DOUGLAS. Mr. President, I now yield the floor, and I hope that my colleagues will read the RECORD, so that when we return on Thursday the good Senators from California will eliminate section 6(a).

HAWAII'S GOVERNOR QUINN IS VIOLATING HATCH ACT AND SHOULD RESIGN

Mr. GRUENING. Mr. President, most of the distinguished Members of this body were pleased to have the opportunity to help make statehood for Hawaii a reality this March. But I am quite sure that none of the Members—and there were several who were vitally involved, such as my able friend from Washington, HENRY M. JACKSON, who did such a fine job of managing both the Hawaii and Alaska statehood bills on the floor—were any more delighted than were by distinguished colleague, "BOB" BARTLETT, and I because we had been so recently involved in a similar effort.

I have been an advocate of Hawaiian statehood for a quarter of a century. When, in 1934, I was appointed as the first director of the newly created agency in the Interior Department, the Division of Territories and Island Possessions, I conceived it my duty to diminish as rapidly as possible the duties of that office—and its ultimate abolition. The way to do that was to confer on the outlying dependencies of the United States as nearly as possible the political status which they desired and which they could

support consistent with the interest and policies of the United States. That would mean statehood for Hawaii and Alaska, the only two incorporated Territories, and thereby destined for no other status. It meant independence for the Philippines, which was achieved in 1946. It meant for Puerto Rico a special autonomous semi-independent status in response to the expressed will of that island's people. For the remaining areas, it should mean the maximum of self-government, consistent with the conditions in each.

Hawaii has long been ready for statehood. It was ready for statehood 25 years ago and should have had it then. It was ready for statehood long before Alaska was, and when both these Territories, over a decade ago, were actively engaged in trying to persuade the Congress that each should have statehood, I made no secret of my belief that Hawaii deserved—on its merits—prior consideration. I stated publicly that Hawaii deserved statehood more than Alaska, but that Alaska needed it more. I stated publicly my belief that it was more important for the United States to grant statehood to Hawaii than for Hawaii to receive it. By that I meant that the United States would be relatively an even greater beneficiary of Hawaiian statehood than would Hawaii be itself. I have not varied from that view, and feel that no year in my life will be more gratefully remembered as a year of achievement, in which I was fortunate to be able to participate, than the 10-month period in which the Congress voted to admit the 49th and 50th States.

Senator BARTLETT and I were particularly pleased at Hawaii's admission because we had the opportunity to help repay a very great American, delegate JOHN A. BURNS of Hawaii, for his farsighted and statesmanlike performance last year. I refer to Mr. BURNS' leadership in separating the Alaskan and Hawaiian statehood bills and insisting on their being completely disassociated, so that each could be considered separately on its own merits. Had it not been for Delegate BURNS' enlightened action, which was made at no slight political risk to himself, both Alaska and Hawaii would, in my reasoned judgment, be still petitioning Congress for statehood, and their achievement of that goal indefinitely postponed.

Last year, as many Senators will recall, I was here serving as a "Tennessee-Plan Senator," and seeking, with my two colleagues, to influence the Members of Congress on behalf of Alaska's cause. We had many, many wonderful friends in both Houses. But perhaps no one played a more crucial and determining role than did JOHN A. BURNS, Hawaii's Delegate in the House. Even though Hawaii had been petitioning for statehood longer than Alaska—more or less for a half century, and actively for 40 years—Burns quickly appreciated that we of Alaska were in a more strategic position for success, and did not hesitate to allow us to go first. He resisted all pressures, all blandishments—and they were numerous, forceful and persuasive—to cause him to deviate from that

course. The result of his wisdom was the sure and safe passage, after many heartbreaking and unsuccessful attempts in the past, of both pieces of legislation in the incredibly short time of ten months. What had for a long time seemed a lost cause was, in large degree, saved by the abnegation, restraint and statesmanship of JACK BURNS.

Since statehood for Hawaii passed Congress and was signed into law by President Eisenhower in March, I have been following developments in our newest State with attention and sympathy because we in Alaska have a deep community of interest with our sister State, Hawaii. We have fought side by side for a decade and a half for the equality of statehood. We are the only non-contiguous areas to be admitted to the Union. We represent America's farthest west and respectively America's farthest north and farthest south. We bring great diversity to the Nation.

Because of this interest, I find it necessary to report to this body, Mr. President, that one aspect of the situation in Hawaii at present is not quite as it should be. The present Territorial Governor, the Honorable William F. Quinn, has not been following either the letter or the spirit of Federal law in regard to the upcoming elections in Hawaii this summer. They are important to this body. Two more Senators will join us. A governor and a legislature of the 50th State will, for the first time, be elected. Mr. Quinn, I believe, has been violating section 9 of the Hatch Act, which makes it unlawful for any person employed in the executive branch of the United States Government "to use his official authority or influence for the purpose of interfering with an election or affecting the results thereof. No officer or employee in the executive branch shall take any active part in political management or in political campaigns."

The only exceptions to this section are the President and Vice President of the United States; persons whose compensation is paid for from the appropriation for the Office of the President; heads and assistant heads of executive departments; officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal laws.

While Governor Quinn is a Presidential appointee, subject to Senate confirmation, his office is certainly not one in which are determined policies pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal laws. Having held the corresponding office as Governor of Alaska, I know what the limitations of that equivalent office are. So Governor Quinn is not exempt from the operation of the Hatch Act.

The facts in this case are these, Mr. President. Mr. Quinn formally announced his candidacy for the elected governorship of the new State of Hawaii early in February—more than a month before statehood was achieved. On

April 5, he made his formal announcement of his candidacy, which was headlined in the Honolulu Advertiser of that date, "Quinn Will Run For Governor." He issued a statement at that time in which he said:

I have decided to reaffirm my earlier announcement that I will be a candidate for Governor in the forthcoming State election.

Since his formal announcement 1 month ago, I have been informed by reliable sources that Mr. Quinn is spending virtually his entire time campaigning intensively throughout Hawaii's seven islands, at taxpayers' expense, and is using the prestige and mechanism of his present appointive office to advance his candidacy.

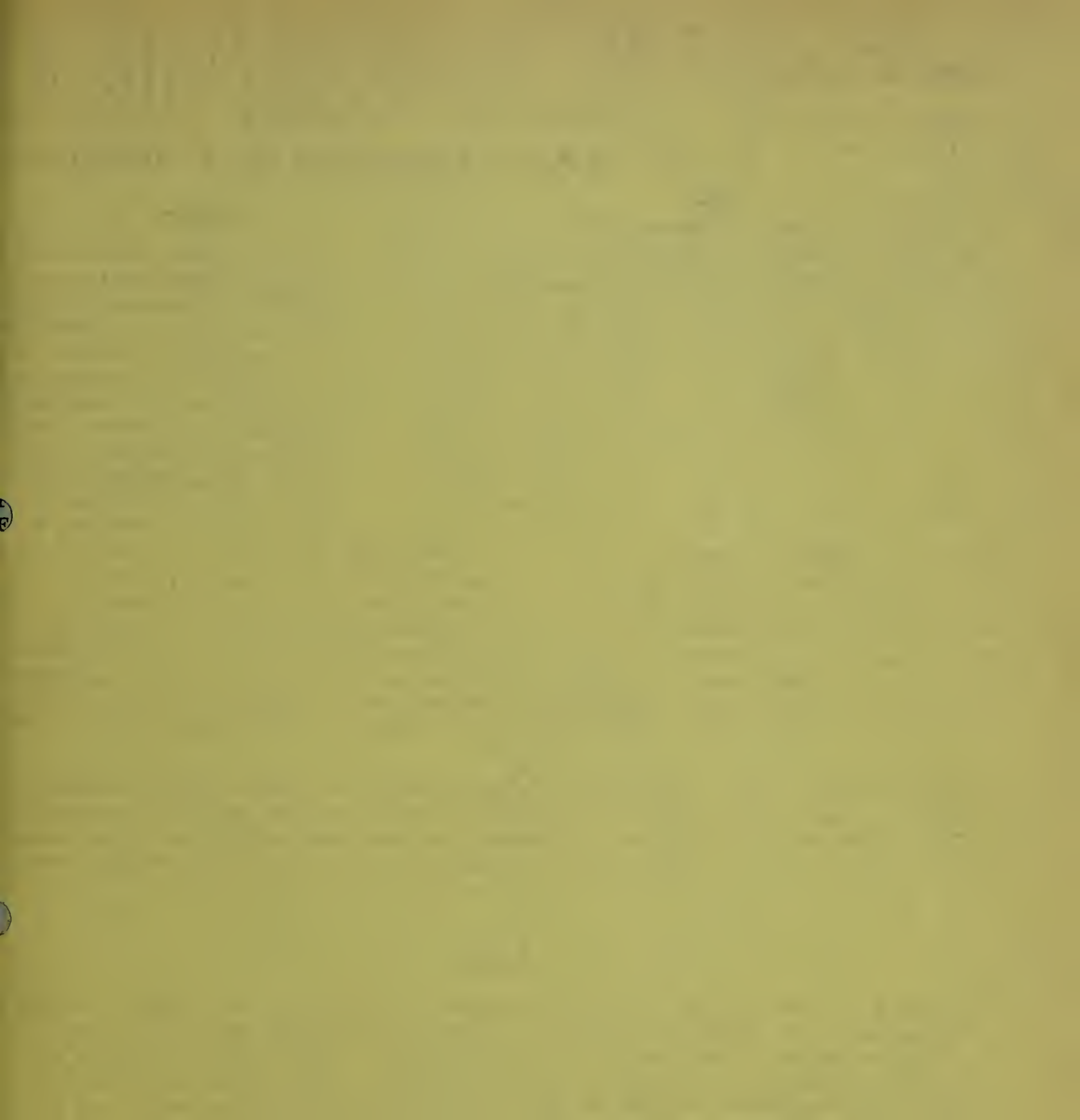
Contrast the campaigning of Mr. Quinn with the activities of Delegate Burns since the statehood act was passed by Congress. Delegate Burns has remained right here in Congress, effectively doing the job the people of Hawaii elected him to do.

I believe I can speak with some authority on this point, because we had a situation of a somewhat similar nature in Alaska last year, but with a different outcome. My opponent in the U.S. Senate contest, former Governor Michael Stepovich, was also an appointive officer, appointed by the same President on the recommendation of the same Secretary of the Interior. But at no time while he held the appointive governorship of Alaska was he an announced candidate for any political office, although, in the course of his duties, he certainly campaigned indirectly for whatever important office under statehood he would decide to seek.

But when Mr. Stepovich announced, on July 25, 1958, that he would run for the United States Senate seat against me, he resigned his appointive job. His resignation was promptly accepted by President Eisenhower. Governor Stepovich resigned because he realized that, as an announced candidate for an elective office, he could no longer effectively—or legally—serve the people of Alaska in his appointive post. So he did the proper thing and resigned.

In fairness both to the people of Hawaii and to the administration he represents, I believe Governor Quinn should take the same step immediately. Every day that he continues to campaign on behalf of his own candidacy while holding his appointive post as governor appears to be a further violation of Federal law.

Unfortunately, this is by no means the first time that Mr. Quinn has violated if not the letter, at least the spirit of the Hatch Act. During the election for United States Delegate in Hawaii last fall, Governor Quinn, time and time again, took the stump to make thoroughly intemperate political attacks against the present delegate from Hawaii, JOHN BURNS. He accused Delegate Burns, among other things, of selling out the people of Hawaii by separating the Alaskan and Hawaiian statehood bills so that they could be passed separately. Delegate BURNS was violently attacked by Mr. Quinn for doing the very thing he deserved the highest



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HIGHLIGHTS: Senate committee reported Barrett nomination. Rep. Langen discussed his proposed bill for incremental price supports for small grain crops. Sen. Kennedy and others introduced and Sen. Kennedy discussed bill to transfer to HEW responsibility for distribution of surplus food to needy.

SENATE

1. WHEAT. Agriculture and Forestry Committee Print No. 4, dated May 7, with respect to the 1960 and 1961 wheat crops, would: (1) Provide price support at 85 percent of parity; (2) limit price support to any person in any year to \$35,000; (3) reduce farm acreage allotments 20 percent; (4) impose penalties on the actual yield of the excess acres (or double the normal yield, if the actual yield is not shown); (5) increase the marketing penalty to the basic support rate (85 percent of parity); (6) reduce the 15 acre exemption to 12 and restrict it to farms which planted wheat in 1957, 1958 or 1959; (7) make the 200 bushel exemption inapplicable; and (8) remove the 30-acre limitation on the feed wheat exemption.

In addition the bill would permanently repeal authority to support prices to noncooperators for wheat, cotton, rice, peanuts, or tobacco. Price support for 1960 and 1961 crop wheat would not be made available outside the commercial area and would not be made available if acreage allotments were not in effect. For these two years the right to withdraw wheat stored from a previous crop to avoid penalty whenever actual production falls below the normal production of the farm acreage allotment would be restricted to farms complying with their allotments.

2. **NOMINATIONS.** The Agriculture and Forestry Committee reported the nomination of Frank Barrett to be General Counsel of this Department and a member of the CCC Board of Directors; and the nominations of Glen R. Harris and J. Pittman Stone to be members of the FCA Federal Farm Credit Board. p. 6827
3. **RECLAMATION.** Continued debate on S. 44, to authorize Interior to construct the San Luis unit of the Central Valley project, Calif. pp. 6882-6908
Agreed to an amendment by Sen. Russell to provide that none of the newly irrigated land shall be used for the production of any basic agricultural commodity, as defined in the Agricultural Act of 1949, if the total supply of the commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply, unless the Secretary of Agriculture authorizes an increase in production of the commodity in the interest of national security. p. 6882
Several Senators discussed the cost of the project, and Sen. Williams, Del., quoted from a letter he had received from this Department stating: "On the basis of this acreage indicated, the Federal and non-Federal investment cost of irrigation would be about \$1,576 per acre." p. 6884
4. **FATS AND OILS.** The Finance Committee reported without amendment H. R. 147, to suspend temporarily the tax on the processing of palm oil, palm kernel oil, and fatty acids, salts, and combinations, or mixtures thereof (S. Rept. 241). p. 6827
5. **FORESTRY.** Sen. Gore inserted a newspaper editorial, "More Forest Development Funds Will Spark Montana Growth," commending the report of the Secretary, "Program for National Forests." p. 6845
6. **FOREIGN AID.** Sen. Humphrey inserted an article, "The Fits and Starts of Foreign Aid," discussing the foreign aid program. pp. 6842-4
7. **WATERSHEDS.** Received from the Budget Bureau a report on plans for works of improvement on the following watersheds: Little Paint Creek, Ala., Bldg. Park, Iowa, Jennings Creek, Tenn., and American Fork-Dry Creek, Utah; to Agriculture and Forestry Committee. p. 6821
Received from the Budget Bureau a report on plans for improvements on the following watersheds: Frye Creek-Stockton Wash., Ariz., Brule Creek, S. Dak., and Sulphur Creek (supplement), Tex.; to Public Works Committee. p. 6822
8. **DAIRY PRODUCTS; CCC.** Received from GAO a report on the review of additional costs incurred by CCC in using tin cans for packaging nonfat dry milk and processed cheese for donation abroad. p. 6821
9. **FLOOD CONTROL.** Received from the Budget Bureau a proposed bill to provide uniform cost-sharing standards for non-Federal entities cooperating with the Federal Government in flood control or flood prevention projects; to the Public Works Committee. p. 6822
10. **WATER RIGHTS.** Received a Tex. Legislature resolution favoring enactment of legislation to "preserve the water rights of the individual and the States to prevent Federal usurpation of those rights." p. 6822
11. **PUBLIC LANDS; MINERALS.** Received an Alaska Legislature resolution favoring enactment of legislation to protect the rights of Alaska homesteaders to the minerals on homestead lands. p. 6823

certiorari denied, 344 U.S. 817 (1952) in which a group of produce dealers owning a natural monopoly in a produce building were barred from exploiting that natural monopoly to keep out out-of-State competitors; by *United States v. Pullman Co.*, 50 F. Supp. 123 (E.D. Pa. 1943), affirmed by an equally divided court, 330 U.S. 806 (1947), in which Pullman Co., which enjoyed a natural monopoly in the furnishing of sleeping cars to railroads was compelled to divest itself of its ownership in the sleeping car manufacturing concern in order to allow other manufacturers to compete on even terms for the business, and by *United States v. Aluminum Co. of America*, 148 F. 2d 416, 439 (2d Cir. 1945), in which Judge Hand said:

"It is, of course, true that a patentee may not use his patent as a sanction for extending his monopoly beyond its terms."

See also *United States v. Masonite Co.*, 316 U.S. 265, 277 (1942), and *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488, 491-492 (1942).

One of the common methods of using a patent or other lawful monopoly as a sanction to extend a monopoly beyond its terms, of course, is the tying arrangement. Tying arrangements have been condemned under the Sherman Act on many occasions. See, e.g., *International Salt Co. v. United States*, 332 U.S. 392 (1947). The Supreme Court has recently set forth the strong public interest embedded in the act which prohibits such arrangements. *Northern Pacific Ry. Co. v. United States*, 356 U.S. 1 (1958), involved an attempt by the railway company to use its monopoly resources—in that case, lands—to extend the monopoly beyond its terms, by compelling lessees of the lands to ship on Northern Pacific. The Court, in holding the device illegal, spelled out the basis for Congress fundamental concern with practices of that sort:

"The Sherman Act was designed to be a comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade. It rests on the premise that the unrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest material progress, while at the same time providing an environment conducive to the preservation of our democratic political and social institutions. But even were that premise open to question, the policy unequivocally laid down by the Act is competition." 356 U.S. at 4.

Section 7 of the Clayton Act, 38 Stat. 731, as amended, 15 U.S.C., sec. 18, is perhaps an even clearer and closer analogy. It, too, expresses the congressional concern with the preservation of competition. Section 7 prevents the acquisition by any company of the stock or assets of another which "may * * * substantially * * * lessen competition, or tend to create a monopoly." It is designed, as is S. 304, to block undesirable expansions of economic power when they occur, before competition is wholly destroyed or a monopoly established; "it is the purpose of the Clayton Act to nip monopoly in the bud." *Transamerica Corp. v. Board of Governors*, 206 F. 2d 163, 169 (3rd Cir. 1951), cert. den., 346 U.S. 901 (1953). It applies, not only to horizontal acquisitions, but also to vertical and conglomerate mergers, *United States v. DuPont de Nemours & Co.*, 353 U.S. 586, 590-593 (1957), to prevent the expansion of economic power out into other industries under circumstances which would "lessen competition or tend to create a monopoly."

(c) It is the very policy of the Northern Pacific case and of section 7 of the Clayton Act, to preserve competition by limiting the spread of monopoly economic power where the spread would injure competition, that S. 304 implements. Like the Sherman and Clayton Acts, its purpose is to block the enlargement of a lawful monopoly "beyond its

terms." To this end, S. 304 would strip D.C. Transit of the advantages which accrue to the company by virtue of its monopoly status when it goes beyond its lawfully prescribed monopoly field. It represents an attempt to bring about conditions of fair and even competition. It declares that all the runners in the competitive race start on an even footing. In this, it represents merely another legitimate exercise of Congress' power to preserve competition and limit lawful monopolies to their terms and is part of the great statutory tradition.

Congress did not—and could not—abdicate its sovereign power to regulate to preserve the integrity of competition. When such a vital public interest is at stake, no one, regardless of the nature of his agreement with the Government, has a contractual immunity from needful and legitimate regulation. The police power to preserve competition is inalienable. Congress could not have tied its hands, even if it had clearly expressed its intention to do so.

The principle is as old as the Dartmouth College case, 4 Wheat, 518, 629 (1819). It found classic expression in *Stone v. Mississippi*, 11 U.S. 814, 819 (1880), in which the Court said:

"No legislature can bargain away the public health or the public morals.

"* * * The power of governing is a trust committed by the people to the Government, no part of which can be granted away. The people, in their sovereign capacity, have established their agencies for the preservation of the public health and the public morals, and the protection of public and private rights. These several agencies can govern according to their discretion. If within the scope of their general authority, while in power; but they cannot give away nor sell the discretion of those that are to come after them, in respect to matters the government of which, from the very nature of things, must 'vary with varying circumstances.' They may create corporations, and give them, so to speak, a limited citizenship; but as citizens, limited in their privileges, or otherwise, these creatures of the government creation are subject to such rules and regulations as may from time to time be ordained and established for the preservation of health and morality."

And the rule was fully stated in *Northern Pac. Ry. Co. v. Minnesota ex rel. Duluth*, 208 U.S. 583, 596 (1908):

"There can be no question as to the attitude of this court upon this question, as it has been uniformly held that the right to exercise the police power is a continuing one; that it cannot be contracted away, and that a requirement that a company or individual comply with reasonable police regulations without compensation is the legitimate exercise of the power, and not in violation of the constitutional inhibition against the impairment of the obligation of contracts. In *New York & N. E. Ry. Co. v. Bristol*, 151 U.S. 556, 567, the doctrine was thus laid down by Chief Justice Fuller, speaking for the court:

"It is likewise thoroughly established in this court that the inhibitions of the Constitution of the United States upon the impairment of the obligation of contracts, or the deprivation of property without due process, or of the equal protection of the laws, by the States, are not violated by the legitimate exercise of legislative power in securing the public safety, health, and morals. The governmental power of self-protection cannot be contracted away, nor can the exercise of rights granted, nor the use of property, be withdrawn from the implied liability to governmental regulations in particulars essential to the preservation of the community from injury."

See also *Atlantic Coast Line R. Co. v. Goldsboro*, 232 U.S. 548, 558 (1914).

Numerous cases apply the rule in a variety of circumstances that the police power cannot be contracted away. Regulations of franchised activities sustained over a contract clause challenge include regulations (a) requiring railroads to change grade crossings at their own expense, *Northern Pac. Ry. Co. v. Minnesota ex rel. Duluth*, 208 U.S. 583 (1908), (b) prohibiting the use of steam locomotives on a metropolitan street by a railroad company which had a franchise to "run cars" over that street, *Southern Pac. Co. v. City of Portland*, 177 Fed. 958 (D. Or. 1910); or requiring the removal of tracks already franchised; (c) prohibiting a company from having more than one track in a city street although it already had a franchise to establish double tracks, *Mayor of Baltimore v. Baltimore Trust & Guarantee Co.*, 166 U.S. 673 (1897); and (d) requiring a gas company to shift its pipes from a franchised location at its own expense, *New Orleans Gas-Light Co. v. Drainage Commission*, 197 U.S. 453 (1905).

In fact, on occasion, where the public interest compels it, the Court has even upheld the flat and unconditional repeal of franchise authority, *Stone v. Mississippi*, 11 U.S. 814 (1880), or the outright cancellation of exclusive monopoly privileges, *Butcher's Union Co. v. Crescent City Co.*, 111 U.S. 746 (1884). However, the bill does not go so far. Section 6 is not repealed. The company's transit monopoly is unaffected. S. 304 merely regulates activities under the act. Clearly such police power regulation, falling short of outright repeal, is valid. An exercise of a State's police power limiting the right of a franchise owner will in any event be sustained if the State action is "regulative of the use, but not destructive of the franchise." *Grand Trunk W. R. Co. v. South Bend*, 227 U.S. 544, 553 (1913).

(d) This inherent and inalienable power to regulate in order to preserve competition is a continuing one. The mere fact that D.C. Transit's section 6 operations were subjected to applicable regulatory statutes in effect in 1956 does not defeat subsequent regulation. The power "is not exhausted by being once exercised, and, so long as the object is plainly one of regulation, the power may be exercised as often as and whenever the common council may think proper. The use of the street [by the franchised mass transit monopoly] may be subjected to one condition today and to another and additional one tomorrow, provided the power is exercised in good faith, and the condition imposed is appropriate as a reasonable regulation, and is not imposed arbitrarily or capriciously." *Mayor of Baltimore v. Baltimore Trust & Guarantee Co.*, 166 U.S. 673, 684-685 (1897).

(e) It follows that S. 304 is valid. It is an exercise of Congress' police power over commerce, just as State statutes insuring the maintenance of competition are acts of the State police power. *Grenada Lumber Co. v. Mississippi*, 217 U.S. 433 (1910); *Smiley v. Kansas* 196 U.S. 447, 457 (1905). Such police power acts, designed to maintain competition, cannot be challenged as abrogating contract rights because no legislature, no matter how clearly it expressed its desire to do so, could bind the hands of future Congresses not to pass subsequent legislation to preserve competition. The precise issue was raised in *Hammond Packing Co. v. Arkansas*, 212 U.S. 322, 345 (1908). The Court said, in respect to the constitutionality of the local antitrust statute, likewise designed to protect competition:

"The contention that to apply the law to domestic corporations would, as to such corporations, cause it to be repugnant to the contract clause of the Constitution, is without merit. The chartered right to do a particular business did not operate to deprive the State of its lawful police authority, and therefore the franchise to do the business

was inherently qualified by the duty to execute the charter powers conformable to such reasonable police regulations as might thereafter be adopted in the interest of the public welfare."

In short, D.C. Transit has no contract right to be immune from legislation designed to preserve competition or to limit monopoly. Competition is a vital public concern. S. 304 is designed to insure it, by taking away advantages that D.C. Transit has in the race with its competitors. The power to enact such a fair competition statute could never be restricted by a contract of any sort with the company.

The legislation is therefore constitutional.

Mr. MORSE. Mr. President, will the Senator from Wyoming yield for a comment?

Mr. O'MAHONEY. I yield to the Senator from Oregon.

Mr. MORSE. As the Senator from Wyoming knows, the bill is before my subcommittee of the Committee on the District of Columbia. I think the Senator received a note from me in which I gave assurance that as soon as we can arrange our hearing calendar there will be a hearing on the Senator's bill.

Mr. O'MAHONEY. I thank the Senator from Oregon.

Mr. ENGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ENGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. RUSSELL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert in the proper place:

Sec. 1(a). No water provided by the Federal San Luis unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

Mr. RUSSELL. Mr. President, the amendment speaks for itself. The bill proposes to open up some of the most fertile areas in the world for cultivation. The amendment merely provides

that none of these lands, while we have the present glut of basic commodities, under the Agricultural Adjustment Act of 1938, as amended, shall be planted to such commodities. This provision is virtually the same as that which was attached to the upper Colorado Basin Project Act which passed the Senate some time ago. I believe there cannot possibly be any objection to the amendment. I understand the land probably will not be planted to such crops, but will be used for the production of fruits, vegetables, and items of that character.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. ANDERSON. The Senator recognizes that the agriculture of California is a very specialized agriculture in many respects. Agriculture in California is a wholly different system of agriculture from that of most other parts of the country, with regard to citrus fruits, and so forth.

Mr. RUSSELL. The products may bear the same names, but a great deal more of them are produced in a different fashion. Californians are very fortunate when it comes to agricultural production.

Mr. ANDERSON. I commend the Senator from Georgia for looking after the interests of agriculture in this country. I assure the Senator that once this area is brought into cultivation there will not be any difficulty. I hope the Senators from California will look with favor on the amendment.

Mr. RUSSELL. I thank the Senator from New Mexico.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from California.

Mr. ENGLE. This provision, or one similar to it, was included in the upper Colorado Basin Project Act at my suggestion when I was chairman of the House Committee on Interior and Insular Affairs. Furthermore, we inserted a similar provision in bills for several other projects. I cannot remember all of them, but I think the legislation concerning the Washoe project in Nevada, and laws relating to other projects, contain provisions similar to this.

The purpose of the amendment is to make it plain that, by the water development projects, we do not intend to bring into production lands which will produce crops to be supported by the Federal Treasury. It simply does not make sense for us to add to our \$9 billion surplus of crops. We had no intention of doing that.

I think the amendment is an excellent amendment to the bill.

Mr. RUSSELL. I thank the Senator.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the senior Senator from California.

Mr. KUCHEL. I thank my friend from Georgia.

Do I correctly understand that the intent of the amendment is to establish a ceiling on all basic crops, on the basis of what has been raised in the area? That

is to say, if wheat has been raised in the area, the right to raise wheat would not be changed?

Mr. RUSSELL. The amendment is certainly not intended to affect any allotment which might be made to the dry lands to be reached by the project. I rather doubt there would be a great deal of wheat planted on lands which would be irrigated, but I am not so familiar with the topography or climatic conditions as is the distinguished Senator from California.

Mr. KUCHEL. In the hearings before the committee of the House of Representatives one of the witnesses who testified stated that some cantaloups, some cotton, some wheat, some barley, and some alfalfa were now under production. On page 93 of the House hearings it is stated:

But if we get a different type of water we will go into specialty crops that are not now in oversupply.

Mr. RUSSELL. That is certainly a fair statement, and certainly a bid for support from those with numerous constituents who are growing these crops under the present acreage allotments, many of which are very small.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I call up my amendment "5-5-59-A," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, lines 2 and 3, it is proposed to strike out "except so far as the provisions thereof are inconsistent with this Act."

On page 10, beginning on line 22, in the matter proposed to be inserted by the committee amendment, it is proposed to strike out all through line 3 on page 11.

On page 11, line 4, in lieu of "(b)" it is proposed to insert "Sec. 6."

Mr. DOUGLAS. Mr. President, this subject was debated quite thoroughly during our session on Tuesday. The CONGRESSIONAL RECORD for that day contains a discussion of the main points which are at issue.

I think the general nature of the project should first be understood. The Federal Government has already expended, through the year 1958, approximately \$630 million on the Central Valley project. There has been authorized for that project over \$200 million more; and I assume that in due course of time that money will also be appropriated and spent.

The cost of the existing Central Valley project to the Federal Government and to the taxpayers of the Nation will soon therefore be approximately \$860 million.

In addition, this bill makes a new authorization, on page 11, section 7, of \$290 million more. As I pointed out on Tuesday afternoon, there is also an authorization in the second sentence of section 7 for a further \$190 million on top of that, for construction of distribu-

tion systems and drains. In all probability, therefore, the Central Valley project, with the San Luis unit included, will cost the taxpayers of the Nation at least \$1,300 million and probably more.

As I have said, from the standpoint of the narrow interests of the Middle West there are strong reasons to oppose the project, for such an expenditure will tend to produce crops which will enter into competition with the crops of the Middle West, notwithstanding the amendment which has just been adopted.

Nevertheless, the land is extremely fertile. I believe it is primarily volcanic ash. Bringing an average of approximately 28 inches of water to this land will cause it to become extremely productive and very valuable. The coming of water, therefore, will confer great wealth upon the owners of the land.

In this connection, I remind Senators that through integrated financing with the rest of the Central Valley project a large part of the cost of the San Luis unit is being charged off to power, and that the portion which is charged to reclamation is interest free, only the principal being repaid. Over the course of the years, the loss to the Nation in interest will be approximately equal to the amount of the principal. So the taxpayers of the Nation are being asked to assume a burden of many hundreds of millions of dollars in order to bring this land into cultivation. In the process, they will greatly enrich those who hold the land.

The Senator from Illinois has always taken the position that where irrigation and reclamation projects are uneconomical, as they clearly are in the upper reaches of the Colorado, where, because of altitude, the growing season is short, the cost per acre high, and the crops of low value, such projects should not be undertaken. Nevertheless, I think it is in the national interest, so far as the longrun future is concerned, that this vast Central Valley, which lies between the coast range and the Sierras, should be brought under cultivation, provided arrangements can be made, so far as land ownership is concerned, which will insure that the land will be cultivated in relatively small farms, and not locked up in huge haciendas on the Mexican or Spanish models.

As we all know, California inherited the Mexican and Spanish land laws, and large amounts of land were locked up in huge estates. While there has been some diminution in the size of these estates with the passage of time, I suppose California is the one State in the Union which, above all others, has the most concentrated land ownership.

In addition, by various devices—not all of them reputable—some large landowners in the Central Valley have acquired vast amounts of land, which they hold. We discussed one of these holdings on Tuesday; namely, the holdings of the Southern Pacific Land Co., a wholly owned subsidiary of the Southern Pacific Railway. This company was given vast amounts of land as a bonus for constructing a railway, which it never

constructed. The railway was never built, but the Southern Pacific Railway got at least 120,000 acres of land in the San Luis unit service area, and, indeed, more as we shall later show.

So we begin with a huge land accumulation, acquired in the days when the Congress was extremely corrupt, when the railways of the Nation bought and sold Senators and Representatives at so much a head. Now the Southern Pacific has this land, which I have indicated on the map in red. It is resisting attempts to apply the 160-acre limitation law to it.

There are other large landholdings in this area. I shall refer to them in due time. One large land company is the so-called Boston Ranch Co., which has the land designated in yellow on the second map. There are other large holdings, running into the tens of thousands of acres.

The fundamental issue this afternoon—at least on the part of the two Senators from Oregon and myself—is very simple. Shall the water which will be impounded and distributed because of this huge Federal investment be used to maintain and reinforce this concentration of land ownership? Or shall the principles of the Reclamation Act to foster family farms be applied, namely, to provide that Federal water, or water made possible by Federal works, shall not be placed upon land in excess of 160 acres for each individual owner?

I wish to point out the extreme mildness of the so-called 160-acre limitation. It was modeled upon the Homestead Acts, which, in turn, were based upon the system of cultivation then applying in the Middle West to corn farms, wheat farms, and dairy farms. It was based upon an estimate as to the amount of land which could be cultivated by a farm family and, for example, three horses.

The land in question, here when water is put upon it, will be extremely fertile land. With the amendment which the Senator from Georgia [Mr. RUSSELL] was able to get through, in all probability it will be used for fruit ranches and for producing lettuce and other vegetables. Those are crops which require large amounts of labor, and with respect to which the yield per acre is extremely high.

I note the presence in the Chamber of the junior Senator from Arizona [Mr. GOLDWATER], who lives near one of the first big irrigation projects in the country, made possible by construction of the Roosevelt Dam about 1906. He will correct me if I am mistaken. I believe a family can make a very good living from a 20-acre orange ranch.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GOLDWATER. Formerly that was possible. Speaking of my own particular State, the production of citrus fruits in Arizona is not as profitable as it once was, because of the competition from Texas and California. If a farm family desired to work hard enough to produce field crops such as the Senator has described, it could make a good liv-

ing from 160 acres, but I doubt if it could make a living from 20 acres.

Mr. DOUGLAS. The Fresno Chamber of Commerce issued a publication in an effort to build up colonization in the Central Valley. It made the statement that a family could be supported there, if it raised orange, on 20 to 30 acres. If it raised apricots, 35 acres would be required; from 30 to 40 acres would support a family if it raised peaches; from 40 to 50 acres if it raised grapes and raisins; from between 60 and 80 acres if it raised figs; and between 80 and 120 acres if it produced alfalfa. This comes from the Chamber of Commerce of Fresno, Calif.

Mr. GOLDWATER. I say to the Senator that, from my meager knowledge of agriculture, those figures are substantially correct. However, I wished to point out that with reference to the Senator's original statement about the South River Valley project and the Theodore Roosevelt Dam those figures would not apply; namely, that it was no longer thought to be profitable to engage in citrus farming in those areas. We have a number of small farms in and around the Yuma area, which are newly irrigated, and which are producing citrus for frozen citrus purposes; and the figures the Senator has stated would probably apply down there. I am in complete agreement with what the Fresno Chamber of Commerce has said with reference to the possibility of making money from the crops the Senator has described.

Mr. DOUGLAS. I thank the Senator from Arizona. His testimony supports in the main the point I have been trying to make. After all, I do not claim precise accuracy, but only approximate accuracy.

The point is that on 20 or 30 or 40 or 50 acres in fruits a family can make a good living. All we are proposing to do is to enforce the 160-acre limitation. If there is only one person in a family, he will have that limitation applied to him. That means that if he puts the land into oranges, he will have enough land for about five families. In apricots, it is enough for four families; in peaches, it is enough for four families; in grapes and raisins, it is enough for three to four families.

What I am trying to say is that even if the 160-acre limitation were to be applied rigidly, it would be far above the acreage needed for fruit ranchers or fruit farmers.

The 160-acre limitation, moreover, is not really a 160-acre limitation. A man can take out 160 acres. His wife can take out 160 acres. Together, they will have 320 acres.

The Senator from New Mexico [Mr. ANDERSON] has pointed out time and time again that the man can also have his older son take out 160 acres, and his second son can also take out 160 acres; and, if he is blessed with a third son, he, too, can take out 160 acres. So, a man with a wife and three children can take out 800 acres and raise fruit on the land and have over 15 or 20 times as much land as is needed to maintain a family.

Our attempt to enforce the 160-acre limitation is, therefore, not an attempt

to fasten people into an ironclad, rigid limitation.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. The junior Senator from Virginia is always concerned with the surplus production of agricultural products. In Virginia we do not have any public lands, and we do not have any help in the irrigation of our land. If we irrigate the land, we pay for the irrigation ourselves. I have heard that it costs as much as \$1,000 or \$2,000 an acre to irrigate some of the irrigated land. What is the estimate on what this land will cost per acre to irrigate?

Mr. DOUGLAS. It is very hard to estimate the cost, because of the joint nature of the project with the State and because the Federal financing is integrated with the rest of the Central Valley project. I would say, however, that in addition to the existing investment, with the \$480 million of Federal money which is contemplated under this bill, and probably with at least some State money, the cost would be at least \$1,000 an acre.

Mr. ROBERTSON. I assumed that to be the case, because I have heard some of my distinguished colleagues say that there would be hundreds of millions of dollars spent on this project. It is bound to run into big money.

Mr. DOUGLAS. That is merely the added cost for the San Luis unit. We have already authorized \$862 million on other parts of the project which the Senator from Illinois will show are now serving lands not connected with this project and will serve in future both groups of land connected with this legislation.

Mr. WILLIAMS of Delaware. Mr. President will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WILLIAMS of Delaware. In line with what the Senator from Virginia has said, I have a letter from the Department of Agriculture, in which they wrote to the Department of the Interior giving an estimate of what it would cost to irrigate this land. I quote from the letter:

On the basis of this acreage indicated, the Federal and non-Federal investment cost of irrigation would be about \$1,576 per acre.

Mr. DOUGLAS. The rough estimate I made was with the interest not taken into account. I did not include interest. However, if the interest is included on the so-called Federal service area alone, there would be a capital outlay of \$480 million, and for interest a minimum of \$290 million, or a total of \$770 million to bring into cultivation 440,000 acres. That would amount to, roughly, \$1,750 per acre.

Mr. ROBERTSON. I am sure that not one of the taxpayers in the East who knows about our accumulated surpluses and the financial burden of carrying them has any conception whatever that the irrigation cost will run up to \$1,500 an acre to bring more land into production.

Mr. DOUGLAS. That is true. I may say that the cost on the upper Colorado land is almost as much as this, with land at the end only worth \$150 to \$280 an acre. That is one of the greatest

boondoggles of all times, put through by the Eisenhower administration and, I might say, over the opposition of the Senator from Illinois.

What I have been trying to say is that the 160-acre limitation under conditions like those in the Central Valley is an extremely lenient limitation. As a matter of fact, I believe that we ought to apply our effort in the future to revise the 160-acre provision, and cut it down to less than 160 acres on land with a high value and a long growing season, and possibly make the limitation greater than 160 acres on land in high altitudes. It is hard to get a formula which will take all these factors into consideration. However, just as the 160-acre limitation may be too rigid for lands 6,000 feet above sea level, so the 160-acre limitation is altogether too loose for land in the Central Valley of California.

There are strong forces in California which own enormous amounts of land, and they do not want to accept the 160-acre limitation. The Southern Pacific Land Co. does not want to accept it. The big estates do not want to accept it. The Boston Ranch Co. does not want to accept it. They want to be able to have tens of thousands of acres held under one ownership and still secure the irrigation waters.

If we have that kind of concentration of ownership growing high value crops, such as lettuce, oranges, and citrus fruits, I will tell the Senate what kind of agricultural system we will have. We will have an agricultural system with a few owners and a great mass of Mexican-American laborers living in hovels, receiving low wages, and with a life of feudalism in the Central Valley of California, as indeed we now have in part.

I notice some sardonic smiles in the press gallery. This is no laughing matter, gentlemen of the press. This is a question of whether, in Central Valley of California we are going to have democracy or whether we are going to have feudalism. That is the issue we are fighting out.

Therefore the amendment which we propose would apply the 160-acre limitation not merely to the initial 440,000 acres to be brought into cultivation, but with respect to any additional land brought into cultivation which will use Federal facilities as a part of the system of distributing water, even though there may be State improvements superimposed upon the Federal system.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ROBERTSON. It is my understanding that the Department of Agriculture is opposed to the bill.

Mr. DOUGLAS. That would not be conclusive with me.

Mr. ROBERTSON. I understand; but is my statement correct?

Mr. DOUGLAS. I am not certain.

Mr. KUCHEL. Mr. President, will the Senator from Illinois yield, so that I may answer the Senator from Virginia?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. The Department of Agriculture is not against the bill. The Bureau of the Budget is for the bill.

The Department of the Interior is for the bill. A similar bill passed the Senate a year ago.

Mr. ROBERTSON. Is it true that under the bill 80,000 acres of land could be brought into cotton production?

Mr. DOUGLAS. The distinguished senior Senator from Georgia offered an amendment, which was adopted by the Senate, which seeks to prevent that.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. ROBERTSON. The 80,000 acres, then, could not come into competition with southern cotton?

Mr. ENGLE. No, it could not, so far as I am aware. The amendment contains no yearly limitation at all. That has been eliminated from it. I would be glad to have the Senator from Virginia read the amendment. Its purpose is to make certain that price-supported crops shall not be increased on federally served lands. The amendment was offered by the senior Senator from Georgia [Mr. RUSSELL] for that purpose, and was adopted by the Senate.

Mr. ROBERTSON. The Senator from Illinois mentioned fruit. Would that include apples?

Mr. ENGLE. No apples are grown in that area—none whatever.

Mr. FREAR. What about peanuts?

Mr. ENGLE. No peanuts are grown in that area. The amount of wheat acreage in that area will be reduced rather than increased.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WILLIAMS of Delaware. If I understood him correctly, the senior Senator from California said the Department of Agriculture favored the bill. That was not my understanding. I should like to see some report which indicates that they are for it. I have examined the record and have yet to find any place in it which states that the Department of Agriculture has ever indicated it is for the bill.

Mr. KUCHEL. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. Let me answer the Senator's question with scrupulous accuracy, so far as I can. I said—and I repeat—that every Federal agency which under the law was required to be contacted has approved the bill. There have been no adverse reports from any Federal or State department to date.

Mr. WILLIAMS of Delaware. I checked with the Department of Agriculture to ascertain why they had not made a report on the bill. I was advised that the Department had not been asked to make any report, although they did write a letter to the Department of the Interior pointing out the effects of this particular bill at this time. They called attention to the fact that it would increase cotton acreage by 80,000 acres; that it would increase the cover crop of alfalfa more than 88,000 acres; that it would increase irrigated pasture by 44,000 acres; that it would increase tree and vine crops 22,000 acres; that it would increase other field crops by 66,000 acres; although there would be

some decrease in hay crops. All of these above mentioned crops are in plentiful supply today. This project will only further increase these surpluses.

It is also interesting to note that under the soil bank plan, with only the amounts over \$10,000 being computed, the Department of Agriculture in 1957 paid almost \$3 million to take 40,000 acres of cotton out of production in California. This bill proposes to spend millions through another department to bring 80,000 acres of cotton into production.

I have yet to see anything which indicates that the Department of Agriculture has endorsed the bill. If there is any such report, I should like to see it placed in the RECORD.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. First, I trust the Senator from Delaware is not implying that any agency of the Federal Government intentionally avoided asking the Department of Agriculture or any other Department what, under the law, it was required to ask.

Mr. WILLIAMS of Delaware. I am not implying anything. I merely stated that the Department of Agriculture in a letter addressed to the Secretary of the Interior did not indicate support for the bill.

Mr. KUCHEL. Neither did the Department of Labor indicate support for the bill. Neither did the Department of Defense indicate support for the bill. The fact is that the agencies which under the law are required to be contacted by the committees to which the proposed legislation was referred did respond; and responding, they approved it.

Furthermore, the distinguished senior Senator from Georgia [Mr. RUSSELL] offered an amendment a while ago which was adopted by the Senate. The amendment, I think, makes crystal clear the intent with which the Senate will proceed to deal with the problem of agricultural commodities. The amendment specifically prohibits any additional planting in the area covered by the San Luis unit to any basic crops under Federal law.

Mr. WILLIAMS of Delaware. What type of crops will be grown?

Mr. KUCHEL. Perhaps the Senator from Delaware was not here when we discussed that subject a little while ago, because I read into the RECORD testimony which was adduced in the House hearings, in which witnesses stated that with the supplemental water they would raise specialty crops, crops which were scarce; and to that extent there need be no apprehension on the part of those who come from parts of the country where basic crops are raised.

Mr. WILLIAMS of Delaware. I appreciate the Senator's explanation. I repeat my question: What type of crops will be raised? It is proposed to spend \$1,576 an acre to bring into production new cropland. Let us not indulge in generalities. If it is proposed to exclude the production of certain crops, then what other crops are proposed to be included?

Mr. KUCHEL. If the Senator had

been here when the amendment was offered and then adopted, he would know what is excluded.

Mr. WILLIAMS of Delaware. I have read the amendment. I was here when it was adopted. However, I am still waiting for an answer to my question: What will be produced? There can be no question in my mind but that this new acreage will increase our surplus problem.

Mr. KUCHEL. I will read a statement made by one of the witnesses to which I referred earlier. He said:

If we get a different type of water, we will go into special crops which are not now in oversupply.

The view was expressed in the debate at that time that various types of fruits and vegetables would be planted in the area covered by the bill.

Mr. WILLIAMS of Delaware. The Russell amendment was not even before the Senate and was not being considered when that statement was made.

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. Out of courtesy I have been farming out time so that Senators could conduct separate colloquies. I should like to have the privilege of continuing with my argument. I hope Senators will not tread on my well-known amiability to an excessive degree.

Mr. ENGLE. Mr. President, will the Senator from Illinois be so generous as to yield 1 minute to me?

Mr. DOUGLAS. I yield 1 minute.

Mr. ENGLE. I thank the Senator from Illinois. I desire to address myself to the question raised by the Senator from Delaware concerning farm crops. I said at the beginning of my statement that the San Luis project would not add to the price-supported agricultural production. In order to be perfectly certain of that, and to have it written into the law, the Senate adopted an amendment offered by the distinguished senior Senator from Georgia which provides positively and unequivocally that the Secretary of Agriculture cannot deliver water to any federally serviced lands for the purpose of increasing the production of crops which are under price supports. No corn, no tobacco, no rice, and no peanuts are grown at present in this area, and we have no reason to believe that they will be grown.

The cotton which is grown there is of the long staple variety and is not competitive with southern cotton. In any event, the cotton acreage would not be increased under this reclamation project; and to be perfectly sure of that, we wrote such a provision into the bill itself by means of an amendment offered by the senior Senator from Georgia and adopted by the Senate.

It is my opinion that cotton acreage will decline because of the shortage of water supply. The trend will be toward higher value specialty crops and smaller farms, which are not typical of large-scale cotton production.

At present these farmers of this area are pumping water from 400-foot or 500-foot wells, costing \$75,000 or \$80,000; and big farming is incident to the area.

With an assured supply of water, that will not be the case.

As for the wheat which now is grown in the area, it will disappear entirely under full irrigation, because with such irrigation, wheat production cannot be afforded; and it will be abandoned in favor of alfalfa, vegetables, fruits, melons, and similar crop versatility.

The PRESIDING OFFICER. The time yielded to the Senator from California has expired.

Mr. ENGLE. I thank the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I rather inferred that the time I had yielded to the Senator from California had expired. I thank the Chair for his very accurate timekeeping.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am sorry that I cannot yield at this time.

Mr. President, the Senate debate has been somewhat diffuse, and in the past 15 minutes we have somewhat departed from the points I was attempting to make before the side engagements developed.

I should like to return to my theme, namely, that the land in this area is rather generally concentrated in a few large holdings.

I have before me the project report of the U.S. Department of the Interior, Bureau of Reclamation, on the San Luis unit, Central Valley project; it is a report on the feasibility of this water supply development. First, it reveals on page 88 that 76 percent of the land in the San Luis Federal service area is in separate ownerships of over 320 acres each.

I read now from page 89, where there is an analysis of these holdings of over 320 acres each, or of approximately 363,000 acres in the San Luis area. This is not all of the San Luis area, but it comprises over three-fourths of the lands in the Federal service area, and clearly shows the predominant pattern of landownership.

There are only 130 landholders in this main group, 86 individuals and 44 corporations. But, Mr. President, notice the division: 64 of these holders had holdings of from 320 acres to 1,000 acres. Their gross acreage was 39,700. At 160 acres apiece—including other members of the family—that would come to 18,700 acres that were not in excess of the reclamation law limits. So their excess acreage was 21,000.

There were 52 holders who had holdings of from 1,000 to 5,000 acres, with a total of 111,000 acres, of which 93,900 acres were excess.

I point out, Mr. President—and this is very important—that there were 10 holdings of from 5,000 to 10,000 acres. Their gross acreage was 68,500, of which 66,600 acres were excess.

There were only 4 holdings of more than 10,000 acres; but they had a gross acreage of 143,700, of which 143,000 acres were excess.

So in the case of these 363,000 acres within the Federal service area, 324,560 acres were excess—namely, in excess of the 160-acre limitation.

All that is a rather clear indication of the concentration of land ownership in this area.

I have not been able to find an accurate list of the owners in this San Luis unit area alone, but I have here other statistics taken from 1956 maps which cover approximately 1,430,000 acres, which includes the San Luis district and other surrounding areas in that valley. I should like to read the figures in regard to land concentration, here, as follows:

Our friends of the Southern Pacific had 148,700 acres, or a little more than 10 percent of the total acreage.

The Standard Oil Co. had 104,700 acres, or a little more than 7 percent.

Other oil companies—not small ones—had 53,000 acres, or 3.7 percent.

The Boston Ranch Co. had 37,500 acres.

Helen Lillis had 20,414 acres.

L. J. Christie held 10,700 acres.

J. P. Bidarary held 11,148 acres.

The Anderson-Clayton Co.—the great cotton merchants of Texas—held 24,771 acres.

J. Mouren held 14,261 acres.

Giffin, Inc., held 13,722 acres.

J. F. Gibson held 12,202 acres.

W. Gill & Sons held 13,400 acres.

Harnish Bros. had one holding of 6,660 acres and another holding of 5,720 acres.

There were many other large holdings, totaling a great number of acres.

Mr. President, I ask unanimous consent that I may have those statistics and the table from the Interior Department's report, to which I earlier referred, printed at this point in the RECORD.

There being no objection, the table and statistics were ordered to be printed in the RECORD, as follows:

The following tabulation summarizes the land ownerships involving excess lands for the San Luis area:

TABLE I

Size range, acres	Number	Gross acreage	Non-excess acreage	Excess acreage
321 to 1,000.....	64	39,700	18,700	21,000
1,001 to 5,000.....	52	111,200	17,300	93,900
5,001 to 10,000.....	10	68,500	1,900	66,600
Over 10,000.....	4	143,700	640	143,060
Total.....	130	363,100	38,540	324,560

From p. 89, "Feasibility Report on San Luis Unit," May 6, 1955.

TABLE II.—Ownership statistics on area of 1,430,080 acres in San Luis Valley (including proposed Federal San Luis service area and surrounding areas), from 1956 maps

Owner	Acreage	Percentage
Southern Pacific.....	148,718.00	10.3
Standard Oil Co.....	104,770.00	7.3
Other oil companies.....	53,364.00	3.7
Boston Ranch Co.....	37,555.00	2.6
Other private holders of over 1,000 acres each.....	578,215.00	40.3
Calflax.....	8,120.00	-----
R. Thomas.....	3,520.00	-----
J. E. O'Neill.....	4,480.00	-----
F. C. Diener.....	6,240.00	-----
Harnish—5 points.....	5,720.00	-----

TABLE II.—Ownership statistics on area of 1,430,080 acres in San Luis Valley (including proposed Federal San Luis service area and surrounding areas), from 1956 maps—Continued

Owner	Acreage	Percentage
Other private holders, etc.—Con.		
Airway Farms.....	3,260.00	-----
J. Mouren.....	14,261.00	-----
J. B. Hawkins.....	2,640.00	-----
Anderson-Clayton.....	24,771.00	-----
Kings County Land & Cattle Co.....	2,300.00	-----
Giffin, Inc.....	13,722.00	-----
Orchards.....	5,683.00	-----
South Lake Farms.....	2,110.00	-----
S. F. & Fresno Land Co.....	7,679.00	-----
Cecil Howe.....	9,829.00	-----
J. F. Gibson.....	12,202.00	-----
Coit Ranch.....	1,080.00	-----
Price Giffin Ranch.....	890.00	-----
Helen Lillis.....	20,414.00	-----
L. J. Christie.....	10,739.06	-----
P. B. Haber.....	1,000.00	-----
M. J. Pucheu.....	1,900.00	-----
Einstein Investment.....	1,920.00	-----
Harnish Bros.....	6,660.00	-----
Pleasant Valley Farming Co.....	8,436.85	-----
Russell Giffin.....	7,680.00	-----
Employees Enterprises.....	9,060.00	-----
J. P. Bidarary.....	11,148.80	-----
Bert Irola.....	2,040.29	-----
Murietta Farms.....	4,950.00	-----
Kerman Cattle Co.....	5,200.00	-----
United Farms.....	9,150.00	-----
W. Gill & Sons.....	13,429.82	-----
Newhall Land & Farming Co.....	6,345.35	-----
A. M. Domengine.....	9,786.50	-----
J. & T. Harris.....	1,957.30	-----
Sunset Farms.....	1,470.00	-----
W. R. Farrell.....	2,080.00	-----
M. & J. Errea.....	1,400.00	-----
Redfern Ranches.....	7,893.77	-----
Lyon & Hoag.....	7,254.16	-----
V. C. Britton.....	4,495.13	-----
S. Bianucci.....	1,324.00	-----
Hotchkiss Est.....	5,120.00	-----
Hammonds Ranches.....	7,514.44	-----
W. J.-J. R. Hammonds.....	6,166.64	-----
Frank Hogue.....	3,800.00	-----
P. Choperena.....	5,238.00	-----
Mendota Land Co.....	1,180.00	-----
Dean Mason.....	4,476.36	-----
Don Mason.....	1,280.00	-----
Belmont Farms.....	2,080.00	-----
Y. S. Philobos.....	2,600.00	-----
J. Etcheverry.....	6,880.00	-----
Government land.....	70,070.00	4.9
Private holdings under 1,000 acres (including city, county, State, and subdivided land).....	437,876.00	30.9

Mr. DOUGLAS. Mr. President, I think I have submitted enough facts to indicate the close concentration of land ownership.

I also wish to ask unanimous consent to have printed at this point in the RECORD summary statistics in regard to the holdings in Kern County, south of the Federal project, a part of which might be reached by any so-called State project or service area which might be brought into being. In that area, with a total acreage of 2,135,000, the Standard Oil Co. owns 112,000 acres; other oil companies own approximately 202,000 acres. The Kern County Land Co. owns no less than 348,000 acres. The Tejon Ranch Co. owns 168,531 acres. The Southern Pacific Railway shows up again, in this case with 45,000 acres. Other private holdings in excess of 1,000 acres come to a total of 491,000 acres.

Mr. President, I ask unanimous consent to have the tabulation printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

TABLE III.—Summary ownership statistics on area of 1,135,000 acres in Kern County, Calif. (including possible areas of service by irrigation from San Luis Reservoir south of Federal service area)

Owner	Acreage	Percentage
Kern County Land Co.....	348,026	16.3
Standard Oil.....	112,275	5.4
Other oil companies.....	201,964	9.4
Tejon Ranch Co.....	168,531	7.9
Southern Pacific.....	45,141	2.1
Other private holdings over 1,000 acres each.....	491,732	23.0
Government land.....	122,692	5.7
Private holdings under 1,000 acres (including all city, county, State, and subdivided land).....	647,164	30.2

Mr. DOUGLAS. Mr. President, this is a region which, above all others, has concentrated land ownership. If section 6(a) is retained in the pending bill, the Senate will approve a continuation of this concentrated ownership—not merely in the case of the land which will be chargeable to service with so-called State water; but the Senate will also strengthen the concentration within the area to be serviced by so-called Federal water.

Mr. MORSE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. MORSE. As one pauses in this debate to refresh his memory in regard to some of the great scandals in the field of natural resources in our history, and when one thinks of the oil scandals and the oil "steals," the Teapot Dome, the great land frauds, the various types of "steals" of which the powerful economic vested interests of the country have been guilty throughout our history, I should like to ask the Senator from Illinois if he thinks I am too far wrong when I suggest that today we raise the question of whether this is going to represent a great water "steal"?

Mr. DOUGLAS. Mr. President, I try to be very guarded in the language I use. I will say that if the bill passes in its present form, it will be a public catastrophe.

Mr. MORSE. Mine is mild compared with that language, I wish to say.

But let the RECORD show that I think that if our amendment is not adopted, the bill will be a water "steal" by the various large landowners the Senator from Illinois has just now listed in the RECORD.

Mr. DOUGLAS. Mr. President, I would not reprove the Senator from Oregon if he were to use such words; I would say that, on the whole, he was a man of restrained speech.

Mr. ENGLE. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield.

Mr. ENGLE. Will not the Senator from Illinois agree that this bill is very plain in applying the 160-acre limitation to the Federal service area?

Mr. DOUGLAS. It purports to do so.

But the point is that the Southern Pacific Land Co. is in such a strategic position, with its checkerboard holdings,

that it can already apply great pressure on the Federal Government, by refusing to participate and, by so refusing, it may shut off water from the others.

Moreover, if concentrated holdings in the nearby area will be aided by means of water coming from State improvements superimposed on Federal improvements, then it will be very difficult to apply the 160-acre limitation within the 440,000 acres specifically charged to Federal improvements. The gates will be thrown wide open for the huge estates in the area to the south, of approximately half a million acres, which, it is said, will be serviced by water coming from combined Federal and State systems later to be brought into being.

Mr. ENGLE. But before that could happen, it would be necessary to amend the law; would it not?

Mr. DOUGLAS. No. At present section 6(a) provides that the Federal limitation shall not apply to the additional half million acres or more to be brought under cultivation by the combined State and Federal system.

Mr. ENGLE. I am speaking of the some 500,000 acres under the Federal service area. We would have to amend the law, would we not?

Mr. DOUGLAS. As a practical matter, if the limitation is thrown open as to the first group of lands outside the San Luis unit, I believe we shall not be able to hold the 160-acre limitation on the second group of lands within the Federal service area, because the chart indicating the checkerboard ownership shows how the Southern Pacific has the small holdings virtually choked to death and enclosed, and if the Southern Pacific refused to come into the arrangement, the smaller landholders would not be able to get the water.

Mr. ENGLE. If the Southern Pacific does not abide by the 160-acre limitation—and I admit they would prefer not to have it—

Mr. DOUGLAS. They said they did not intend to abide by it.

Mr. ENGLE. I would not go that far. I do not think they said they do not intend; they said they would prefer not to. If they do not, it would be necessary to amend the law. I will say to the Senator if any effort is ever made to remove the 160-acre limitation from the Federal service area, I will stand up on the floor of the Senate, if I am still here, along with the Senator from Illinois, and oppose any such action.

Mr. DOUGLAS. We know in the past the Secretary of the Interior has been forced to cede ground in the Pine Flats case and let the people have the water, even though they have not agreed to the limitation. My point is, we also have to limit the additional approximately 500,000 acres which will come under cultivation when these further improvements are perfected.

I should like to pass to the argument on that question, because the second approximately 500,000 acres which it is claimed are in the State service area are not properly speaking in an independent, self-sustaining State service area

at all. The State service area is possible only because there has been a tremendous Federal investment in dams, reservoirs, conduits, pumping stations, and power.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Oregon.

Mr. MORSE. Now that the issue has been raised by the Senator from California as to what the Southern Pacific intends to do, I think I should read into the RECORD what they say they are going to do.

Mr. DOUGLAS. I think so.

Mr. MORSE. Mr. Van Loben Sels on March 17, 1959, testified:

Let us state that our lands are not on the market. They are not for sale. We do not want to sell our agricultural properties or our timber properties or our grazing properties any more than we want to sell our main line railroad.

The letter of the witness for the Southern Pacific Railroad cannot be considered without reaching any other conclusion than that they intend to make use of the checkerboard holdings they have on this project, which the Senator from Illinois has so magnificently brought out in the debate this afternoon, and, in effect, try to force their will in the administration of this project by a lifting of the 160-acre limitation.

Mr. DOUGLAS. As the Senator from Oregon has stated, the Southern Pacific does not intend to sell any land in the first 440,000 acres. They do not intend to sell any acreage from the later blocks of land to be irrigated. I desire to read again from the letter of the Land Department, Southern Pacific Co., on March 23, 1959, signed by L. Frandsen, and which is printed on page 101 of the hearings, as follows:

It is now our desire to reaffirm our previous position that our agricultural properties are not for sale.

In other words, holdings over 160 acres are not going to be sold. The Southern Pacific will hold onto them. The more reinforcement Congress gives the Southern Pacific in the additional 500,000-acre area, the stronger their position will be on the immediate 440,000 acres.

Mr. MORSE. I think the statement of the Senator from Illinois, as to the contention of the Southern Pacific, should be reinforced by reading from page 222 of the transcript of hearings, in which Mr. Van Lobel Sels stated:

The figure we have quoted is 120,000 acres. There has been some deletion from that, because the Federal Government recently condemned some for a naval air station. That is in the courts now.

That was his answer to the question put by Representative ULLMAN of Oregon when he asked:

Mr. Van Lobel Sels, how much land do you have that would come under the proposed Federal project?"

The answer was 120,000 acres, minus a small amount that was condemned for a naval air station.

The witness went on to say:

It is all under agricultural lease. It is all under irrigation, but not all of it is irrigated every year.

Let me repeat that:

But not all of it is irrigated every year.

Do Senators get the implication? Get the bill passed so they can obviate the 160-acre limitation. Then he said:

It is being farmed under lease to actual operators on the property, to crops that are typical of that area, which I think were mentioned previously. But they include grains, cotton, melons, various seed, grass seed and alfalfa seed crops, a few more of the specialized crops, like potatoes and carrots, and other vegetables.

When I make my major speech following the Senator from Illinois on this matter, I am going to point out and reinforce the Senator from Illinois in the contention that it will not protect the 160-acre limitation.

Mr. DOUGLAS. As I have said, the 160-acre limitation in this fertile area is extremely lenient, because 160 acres of fruits and nuts can support not 1 but 5 or 6 families. Moreover, there can be more than this limitation on landownership by taking out 160 acres for each member of the family. So there can be many multiples of 160 acres under the same limitation.

Yet this loose provision is not enough for the large landowners. They want the sky to be the limit, so they will have, under this law, the latifundia which existed in Rome, which was one of the reasons for the fall of the Roman Empire, and the concentration of land ownership such as now exists in Spain, and which was one of the causes of the revolution in Mexico.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. In the operation of this general scheme, is there any relationship between that part of the expenditure which is to be made by the Federal Government and that part which is to be made by the State of California?

Mr. DOUGLAS. The Senator has asked a very important question. It happens that is precisely the point I was going to try to develop. I should like to proceed to that.

Mr. LAUSCHE. I thank the Senator very much.

Mr. DOUGLAS. Mr. President, the main new project which is to be carried out by the Federal Government under this bill is the dam creating the so-called San Luis Reservoir. This dam is to be constructed with Federal money, and the initial water behind this dam, therefore, will be water entirely assembled because of Federal expenditures.

The rather indefinite proposal which is contained in the bill and which is supported by the testimony with respect to the bill is that the height of the dam will then later be raised as a result of expenditures by the State of California. Hence it is argued that the quantity of water impounded behind the dam will be increased and the added amount of water would be due to State expenditures

and would not be in any degree Federal water.

The contention of the Senator from Oregon and of the Senator from Illinois is that one cannot cut the dam in two any more than Solomon's child could be cut in two. One cannot build a second story on a dam without a substructure going down deep into the earth, into the rocky formation, which is probably a more important part of every dam than that which is above surface. One cannot build a second story unless one has a first story.

Therefore, the dam is an integral, unitary structure which cannot be subdivided, and we cannot separate the water which has been impounded by State action from the water which has been impounded by Federal action.

In addition to that, I wish to remind my good friend that the Delta Cross Channel is to be used, bringing the water coming down the Sacramento River across the delta to the Tracy pumping station. That has been constructed with Federal funds.

This is a Federal outlay which makes possible the additional quantity of water. Furthermore, the water will be pumped up to a higher level out of the Sacramento Basin into the San Joaquin Basin, with power developed from the dams and falls of water up north, around Shasta.

The additional State outlay, if it should be made, would not get to first base if there were not a prior huge Federal investment. To claim that this action is entirely distinct from the Federal outlay is, to my mind, "moonshine."

In addition to that, the previous outlays on Shasta, Keswick, Nimbus, Folsom, and Trinity, which is still under construction, will make water and power available to what is alleged to be a purely State system but which will not be in fact purely a State system but will be a joint system.

Therefore, we say that Federal reclamation law should apply and that we should not throw open the gates for huge estates to be built up in defiance of the long-established Federal principle.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. LAUSCHE. Is my understanding correct that the basis for this entire project lies in the expenditures which will be made by the Federal Government?

Mr. DOUGLAS. And those which have been made.

Mr. LAUSCHE. And that whatever is done by the State of California is dependent in the first place upon what the Federal Government does?

Mr. DOUGLAS. The Senator is correct. The Senator from Ohio has stated in one sentence what I have been laboring to state for some pages of the CONGRESSIONAL RECORD.

Mr. LAUSCHE. I thank the Senator very much, but I think I have had the benefit of the clarification the Senator from Illinois has given to the entire project.

In spite of the fact that this entire project is basically related to the Fed-

eral expenditure, it is suggested that the Federal law limiting irrigation waters to holdings of 160 acres be not applicable to certain areas which allegedly are going to be supplied with water by the State of California unrelated to what the Federal Government is doing.

Mr. DOUGLAS. That is precisely the claim of the sponsors of section 6(a).

Mr. LAUSCHE. And the Senator from Illinois takes the position that the very spirit of the Federal irrigation law, which provides that water shall be supplied only to holdings of 160 acres or less, will be abandoned in such a process?

Mr. DOUGLAS. The Senator from Illinois takes that position. There would be an abandonment of the time-honored position.

Mr. LAUSCHE. And there could be unlimited holdings in the amount of 55,000 acres or more—is that the figure?

Mr. DOUGLAS. One hundred and twenty thousand acres or one hundred and forty thousand acres. That would be permitted and encouraged by section 6(a). We are trying to strike 6(a).

Mr. KUCHEL. Mr. President, will the Senator yield? That is a shameful thing. The case should not be stated that way. I know the Senator does not mean to indicate something which is not the fact, but that is hardly a correct statement.

Mr. DOUGLAS. If the Senator from Illinois has made a misstatement, in what respect did he make a misstatement?

Mr. KUCHEL. The Senator talked about the right of the Southern Pacific Railroad to get water from this system in unlimited amounts, as a large landowner, opposed to the small landowners.

I will say to my friend from Ohio that the lands which the Senator from Illinois is talking about are lands which are located above the San Luis area. In considering what the Senator from Illinois is talking about, the argument is not a sound or conclusive one.

The question is as simple as this. The fact of the matter is, we believe that the State of California, through its Governor and its legislature, ought to determine what the restrictions for use of water through a State system should be. It is exactly that simple. It is that easy to state. We believe that the Federal reclamation law ought to apply to Federal reclamation projects.

Mr. DOUGLAS. Mr. President—

Mr. KUCHEL. We believe that when one reservoir is jointly used by the State and by the Federal Government it is unconstitutional for the Federal Government to tell the State of the Senator from Ohio or my State how it shall use its water in a State system, when the water comes from that system.

Mr. DOUGLAS. Mr. President—

Mr. LAUSCHE. Will the Senator yield to me, so that I may say a word with regard to that matter?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. Is it not a fact that the development of the California side of the project is completely dependent upon and related to the expenditures which will be made by the Federal Government; and that therefore California

ought to follow the spirit and the letter of the Federal law, because without the Federal money California could not do anything?

Mr. KUCHEL. That is a surprising thing for my friend to say.

First of all, the State of California is indebted for what the Congress of the United States has done with Federal reclamation in the State. We are grateful for the Central Valley project. Now, under the leadership of the incumbent Governor of California—and, I may say, in the same fashion as under his two Republican predecessors—the people of my State are about to embark on a \$11 billion State water system. They are willing to bond themselves, and pay that money themselves, for a State system. So we have a unique concept of two types of water systems in our State, one a Federal system and the other a State system.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. Is it not a fact that so far as this part of the discussion is concerned, the California project will be built upon the Federal project, as described by the Senator from Illinois?

Mr. KUCHEL. I will say to my dear friend from Ohio that the San Luis reservoir will be paid for, 60 percent by the people of California and 40 percent by the Government of the United States.

Mr. LAUSCHE. The Senator from California has not answered my question.

Mr. KUCHEL. I will try it again.

Mr. LAUSCHE. Is it not a fact that the part of the project promoted by the State of California is tied into the Federal project?

Mr. KUCHEL. I do not understand. I wish to give an accurate answer.

Mr. LAUSCHE. The Senator from Illinois stated that the Federal Government would build the base, and thereafter California would add to the dam.

Mr. DOUGLAS. That is correct.

Mr. KUCHEL. The State is going to pay for 60 percent of the total cost.

Mr. DOUGLAS. Mr. President, the huge figure which my friend from California brandishes about, \$11 billion, has in it a typical degree of California exaggeration.

Mr. KUCHEL. Not at all.

Mr. DOUGLAS. Yes, it has. We may find ourselves in about the same situation in which the United States found itself when it granted huge blocks of land to the Southern Pacific Railway Co. on condition that it build a railway. Yet it never built that railway.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. Is the Senator suggesting that the Governor of California has said something that is not true with respect to the portion of the cost to be borne by the people of the State of California?

Mr. DOUGLAS. The Senator from California is engaging in the good California real estate practice of capitalizing on hope.

Mr. McNAMARA. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield to the Senator from Michigan.

Mr. McNAMARA. Is there anything in the record to indicate what the average value of the acreage is, with respect to which it is proposed in the bill to invest \$1,500 an acre?

Mr. DOUGLAS. There are scattered figures.

Mr. McNAMARA. Is the land worth \$1,500 an acre?

Mr. DOUGLAS. Not now. It is worth relatively little.

Mr. McNAMARA. So it is proposed to put \$1,500 an acre of Government money into land which is not worth that much now?

Mr. DOUGLAS. Yes. I think it will probably be worth \$1,500 an acre when the project is finished, but those who will get a very large slice of the \$1,500, without adequate payment, will be the large landowners. The increase in their land values will be very much greater than the returns from power, and such payments as are made for reclamation.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. Has any explanation been given by the proponents of the bill why they feel that the 160-acre limitation should not apply, and why they feel that the holders of great acreages of land ought to have the benefit of irrigation under a policy different from that stipulated in the Federal law?

Mr. DOUGLAS. I think I should let the proponents of the bill speak for themselves, and not attempt to speak for them, because if I were to do so I might be accused of twisting their defense. So they should make their own statement on that point.

To me it is inexplicable that two such fine Senators as the senior and junior Senators from California, whom we love as individuals, whom we respect, and who fight beside us on so many measures, should in this instance be found to be against the people. It is difficult for me to reconcile myself to that situation.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. Is it the intention of the Senator that, with the adoption of his amendment, the Federal reclamation laws shall apply to all waters leaving the San Luis Reservoir?

Mr. DOUGLAS. Yes, I think so—on the ground that the waters have been inextricably mixed and will be made available through the Federal contribution to the San Luis Dam and the Delta Cross-Canal from the Sacramento to the pumping station.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Let me finish my sentence.

There have been prior Federal expenditures for power facilities which make it possible for the water to be lifted out of the Sacramento into the San Joaquin Valley; and there have been huge prior expenditures on a large number of dams, including Shasta, Keswick, Trinity, the

Sacramento Canal, the Nimbus Dam, the Folsom Dam, and the Sly Park Dam.

Senators say that the State of California is to build additional pumping plants to supplement Tracy, and another canal to supplement Delta-Mendota.

The Interior Department, in dealing with the possible irrigation developments south of the San Luis unit stated that "the winter surplus in the Delta could be pumped through an enlarged Delta-Mendota Canal." That seemed to be the primary military thing "or through a second canal adjacent to the Delta-Mendota"—into the San Luis Canal, and thence into the potential Avenal Gap Reservoir.

In other words, the Interior Department apparently contemplated that the first means of bringing the water south for the additional irrigation area would be through an enlarged Delta-Mendota Canal, representing an enlargement of the Federal investment already made.

My fine friend the amiable junior Senator from California [Mr. KUCHEL] said on Tuesday, "No; we are not going to do that. We are going to have a second canal dug beside it." That is thrown forward in the report as a possibility, but it is a possibility enclosed in parentheses. Evidently the Department of the Interior thought the main possibility would be enlarging the Delta-Mendota Canal. I will show the Senator the quotation, so that he will see that the parentheses are properly placed, and he will not think I am indulging in some hocus-pocus.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. Of course it makes no difference whether a separate ditch is built or the present canal is enlarged. In either even the State will pay the cost.

Mr. DOUGLAS. The cost would be less if the existing Delta-Mendota Canal were enlarged, because there has been a prior Federal investment.

Mr. ENGLE. I am not sure the cost would be less. Did the Senator ever try to enlarge a ditch?

Mr. DOUGLAS. Yes.

Mr. ENGLE. Sometimes it costs more to enlarge an existing ditch than to dig a new one.

Our point is that the Federal Government and the State government are jointly using a dam for which the State government pays its share. It puts its own cash into the project. It operates its own pumps and canals. They are separate. Water comes out of one spigot and goes on to the federally serviced area. Water comes out of another spigot and goes onto the State-serviced area. We propose that on the federally serviced area the 160-acre limitation shall apply. We have said to the State of California, "We think you should have an acreage limitation if a subsidy is involved, and that the State legislature should consider that question." The Governor has agreed to do it. I have a telegram from him which says so. If the State wishes to apply the 160-acre limitation, that is within the power of the State, and should be, let

me say to the distinguished former Governor of Ohio [Mr. LAUSCHE].

Mr. DOUGLAS. Does the junior Senator from California say that the Governor of California, Hon. Pat Brown, is in favor of section 6(a)?

Mr. ENGLE. No; I do not.

Mr. DOUGLAS. I am glad the Senator has cleared up that point, because I did not believe he was. Pat Brown, as attorney general, made a great fight to uphold the 160-acre limitation. I could not believe that as Governor he would do something contrary to his policy as attorney general. I hope the Democratic Party of California does not come out in defense of the large landowners.

Mr. ENGLE. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I certainly will.

Mr. ENGLE. The Governor of California thinks exactly as I do on this subject; namely, that it makes no difference whether section 6(a) is in the bill or out of the bill, because the Federal law will not apply to the State-serviced areas anyway.

Mr. DOUGLAS. May I say to my good friend—

Mr. ENGLE. The only reason 6(a) was put in the bill in the first place was to give additional assurance to some people.

Mr. DOUGLAS. To what people?

Mr. ENGLE. To the people of southern California.

Mr. DOUGLAS. Was it to the people of southern California, or to the large landowners in the Central Valley and the railways and the oil companies, who have dominated politics in California for 70 years?

Mr. ENGLE. They wanted us to restate the law. I never believe in restating the law. However, the language is in the bill. So far as I am concerned, I claim that the Senator's amendment will not do what he says it will do. The Federal reclamation law will not apply to any State-serviced areas outside the Federal project. It does not make a bit of difference to me whether the section is in the bill or out of it. However, I think it is just as well to reaffirm it.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that section 6(a) be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Without objection, it is so ordered.

Section 6(a) of the bill is as follows:

SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.

Mr. DOUGLAS. Mr. President, if that section is included it will be clear that the Federal reclamation law does not apply to the 500,000 acres to be added after the first 500,000 acres, and that there will be no limitation there; whereas if it is eliminated, I personally believe that the Federal reclamation law will apply. At least there is a very good

chance that it will prevail in the absence of State legislation to the contrary.

While it is probably not possible to pass a 160-acre limitation law in the California legislature, with its Arthur Samishes—

Mr. ENGLE. Arthur Samish is out of there now.

Mr. DOUGLAS. Since it was not possible to pass any legislation there upholding the 160-acre limitation in the past, I cannot believe that the California Legislature, much as it has improved, will pass such a law in the future.

Mr. ENGLE. May I read to the Senator the telegram from Governor Brown, to which the Senator has referred?

Mr. DOUGLAS. Yes.

Mr. ENGLE. It reads:

SACRAMENTO, CALIF., May 7, 1959.

Senator CLAIR ENGLE,
Senate Office Building,
Washington, D.C.

Having seen many statements in the press regarding the application of the Federal reclamation laws to the San Luis project, I wish to reiterate what I have said in the past regarding this matter. Upon the basis of my own legal analysis and that of all my legal advisors I am convinced that the Federal reclamation laws do and will apply to all Federal facilities and service areas of the San Luis project. In addition, with or without the language contained in section 6(a) under S. 44, the Federal reclamation laws do not and, in my view, should not apply to the State facilities and State service areas of the project. I am, and I believe that the California Legislature also is, opposed to any unjust enrichment or monopolization of benefits by owners of large landholdings as a result of either Federal or State operation.

However, I feel that the handling of this matter, insofar as State activities are concerned in relation to this project or other State construction, should come as a result of State legislation. I intend, at an appropriate time and before contracts are executed, to take this matter up with the California Legislature in order to preclude the undesirable results which I have described, but I firmly believe that this matter should not delay either Federal or State authorization or construction.

EDMUND G. BROWN,
Governor.

Mr. DOUGLAS. With all due deference to my friend from California, I would regard that as a clothespin opinion on both sides of the question.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. Does the Senator from Illinois agree with me that he, being the author of the amendment—

Mr. DOUGLAS. Only one of the authors.

Mr. MORSE. Does the Senator believe that he and the two Senators from Oregon, as cosponsors of the amendment, believe that the only legal opinion in which we are now interested is the legal opinion of a court of final jurisdiction, not the legal opinion of Pat Brown, Governor of California, who in this instance is a special pleader and is really a party to the dispute?

Mr. DOUGLAS. I say it is perfectly clear to my mind that if section 6(a) remains in the bill, the Federal reclamation law will not apply to the second 500,000 acres to be brought under cultivation, and that if the 160-acre limita-

tion is to be applied there, it will have to be by State action. Furthermore, the strategic defense of the 160-acre limitation in the first 500,000 acres will be mortally weakened.

Governor Brown can pledge his word that he will try to have passed a bill calling for a 160-acre limitation. No doubt he is a man of his word. There was a great Governor of California before him, in the person of the present Chief Justice of the United States, Earl Warren, whom I regard as the greatest living American. He, too, had measures which he put before the California Legislature which was controlled by his own party, and yet he could not get anywhere with them because the California Legislature was dominated by a man named Arthur Samish. I am not quite certain where Arthur Samish is now. But no doubt he wears a neat gray suit somewhere in some country club. He dominated a California Legislature—

Mr. ENGLE. We now have a Democratic Legislature, for the first time in 75 years.

Mr. DOUGLAS. I know it will be better. However, we have a few sinners too, in our camp. Having studied the activities of Mr. Samish, I know that he did not draw any party lines when he financed a few weak, compliant Democrats, just as he would pick out many weak and compliant Republicans. I know he never financed either the senior or the junior Senator from California, but he did finance weak temperments.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I wish to say, in this repartee, that I am not very much impressed by what my good friend from California has said about a Democratic Legislature in California. We have a Democratic Congress. So what? [Laughter.]

Mr. LAUSCHE. Mr. President, may I ask—

Mr. DOUGLAS. I just doubt whether the California Legislature could be induced to pass a 160-acre limitation.

Mr. ENGLE. It pains me to see some injury done by reference to what a Democratic Legislature will not do and by what a Democratic Congress will not do. We ought to do this in private.

Mr. DOUGLAS. The Senator knows what the system of representation in the California State Senate is. The California State Senate is one of the most grossly gerrymandered legislative bodies in the country. The county of Los Angeles, with a population of something like 7 million, has one State Senator in the State Senate.

Mr. ENGLE. The State of Nevada has 2 United States Senators.

Mr. DOUGLAS. What bearing has that?

Mr. ENGLE. The State of Nevada has 2 United States Senators. The great State of California, with 15 million people, has only 2 United States Senators. We are not any worse gerrymandered there than here.

Mr. DOUGLAS. We are gerrymandered here, but it results from a condi-

tion which was adopted in 1787. The provision with regard to two Senators from each State is the only clause of the Constitution which cannot be amended. We have to live under it. We writhe under it, but we have to abide by it.

However, if I may come back to what I was saying, I am sure the Senator will not defend the gerrymandered system in the California Senate, under which the county of Los Angeles, with a 7 million population, has only one Senator in the State Senate; whereas 3 mountain counties, with populations of approximately 30,000 also have one State Senator. As a result the control in the California Senate is still in the hands of the small counties, which can be bought up by the private utilities and big land interests. That condition has corrupted democratic representation in California for 70 years.

Mr. McNAMARA. In other States as well.

Mr. DOUGLAS. That is a common weakness in most industrial States.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. I believe it is rather hazardous to anticipate that, even though the Governor recommends action with positiveness, his recommendation will be carried into effect.

Mr. DOUGLAS. That is correct.

Mr. LAUSCHE. We know that there are great uncertainties between what a governor wants and what the legislature is willing to do.

Based upon what the junior Senator from California has said, I understand that, in substance, he takes the position that it makes no difference whether section 6(a) is in the bill or not in it.

Mr. ENGLE. That is correct, because it is surplusage. It is a restatement of what the law is. Striking it out will not make any difference. I said that on Tuesday afternoon. I do not believe that striking the provision will apply the Federal reclamation law in State-served areas.

Mr. LAUSCHE. Knowing that there are Senators who would vote for the bill with that section eliminated, why do not the sponsors consent that it be stricken, if it makes no difference?

Mr. DOUGLAS. I have wondered about that myself.

Mr. ENGLE. I am not the author of the provision.

Mr. LAUSCHE. I will not vote for the bill as it is. If the section is stricken, I will vote for it. If it makes no difference, why not strike it?

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. When the Senator from Illinois was in college he was not a very good football player. His reactions were slow. He could never make the backfield, but he was allowed to play in the line. When the opposing team launched a play at the line, it was not thought to be proper for the lineman to step aside and let the ball carrier for the opposing team go through, in the expectation that the backfield would

then tackle the man and bring him down. One had to do his best to stop the opposing ball carrier at the line or behind it.

What the Senator from California [Mr. ENGLE] is saying is that the line is the Federal Government. But the Federal Government should make no effort according to the sponsors of 6(a) to protect the people and the purpose of the farm policy. Let the big lawmakers go through, they say, so far as the Federal Government is concerned, and depend upon the State of California—or the backfield.

In the first place, I say: Stop them at the line. Second, I do not have too much confidence in the backfield, knowing something about the past history of the California Legislature.

Mr. KUCHEL. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. Will the Presiding Officer advise the Senate whether or not it is within the rules for a Senator to speak disparagingly of another Senator's State, or of the government or the governmental operations of another Senator's State?

The PRESIDING OFFICER. Rule XIX, section 3, prohibits that.

No Senator in debate shall refer offensively to any State of the Union.

Mr. KUCHEL. I simply respectfully ask that the Chair enforce that rule of the Senate.

Mr. DOUGLAS. Mr. President, I wish to argue that point. I was not referring disrespectfully to the State of California; I was referring disrespectfully to Mr. Arthur Samish and to the people who have ruled the California Legislature.

The State of California is a marvelous State. It has a beautiful climate, marvelous scenery, fine people, and a great line of fine statesmen, such as Hiram Johnson, Earl Warren, Pat Brown, the junior Senator from California [Mr. ENGLE], and the senior Senator from California [Mr. KUCHEL]. All of them are fine men. But I am not very keen about Mr. Arthur Samish and the forces behind Mr. Arthur Samish. I never thought Mayor Schmidt was a good mayor of San Francisco.

If the Senator from California is saying, "If you say anything about Samish, you are talking about the State of California," I do not regard Samish as embodying California. I am trying to prevent California from being included with Samish and his crowd.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. Does the Senator from Illinois believe that the subject of gerrymandering is a proper subject for debate and discussion on the floor of the Senate?

Mr. DOUGLAS. I certainly do. California, unfortunately, is one of the worst examples. Rhode Island, New York, and Michigan are also examples. Illinois, too, has some gerrymandering.

Mr. MORSE. Does the Senator from Illinois think that by the slightest stretch of the imagination rule XIX applies to the discussion of the subject of gerrymandering in the American system, as illustrated by the example the Senator from Illinois pointed out with respect to Los Angeles? Does he think that when he discusses gerrymandering from the standpoint of specific instances, it is in any way a violation of rule XIX, which provides that a Senator must not speak disparagingly of a State? Or would the Senator from Illinois wish me to propound that question as a parliamentary inquiry to the Presiding Officer of the Senate?

Mr. DOUGLAS. I will be very glad to have the Senator from Oregon do that. Rule XIX, section 3, provides:

No Senator in debate shall refer offensively to any State of the Union.

It was not the intention of the Senator from Illinois to refer offensively to the State of California. But if in the debate a discussion of gerrymandering in California, political manipulations in California, and the political activities of the Southern Pacific Railroad are considered derogatory to the State of California, the Senator from Illinois will accept any rebuke which the Chair wishes to administer and will ask that the objected to language be stricken from the RECORD.

Mr. MORSE. I think a very important parliamentary question has been raised. I am sorry the Senator from Illinois has had to raise it, but he has. I think we had better ascertain whether the subject of gerrymandering in California and the possibility of the Governor of California getting any favorable legislation from the Legislature of California, as he indicates in his telegram he will try to do, is in fact out of order. If it is, I think we had better pause long enough in the Senate of the United States to amend our rules, because we certainly owe it to the American people to discuss objections to our form of Government, and gerrymandering is one of the most serious ones.

Therefore, I propound the parliamentary inquiry whether the Senator from Illinois was out of order, under rule XIX, in respect to the discussion of gerrymandering of which he has cited Los Angeles County as a good example.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. DOUGLAS. First, let me make a statement; then I shall yield. I notice that the Senator from California [Mr. KUCHEL] has left the Chamber. But if he or any other Senator will move that the alleged offensive words be read for the benefit of the Presiding Officer and the Senate, and if the Presiding Officer then rules that they are out of order, the Senator from Illinois will, of course, abide by the ruling which is made.

I now yield to the junior Senator from Oregon.

Mr. NEUBERGER. If I am not mistaken in my recollection, some very properly harsh words were spoken recently on the floor of the Senate about

the terrible, shocking lynching which occurred at Poplarville, Miss. Is not that correct?

Mr. DOUGLAS. I was not on the floor, if that happened. However, I believe attention was called to it.

Mr. NEUBERGER. Certainly that would not be considered as any criticism of or attack upon the decent, law-abiding people of Mississippi, who I am sure are in the great majority in that State.

Mr. MORSE. Mr. President, I ask for a ruling on my parliamentary inquiry.

Mr. DOUGLAS. Mr. President, I ask permission to take my seat while the ruling is made. With the understanding that I do not lose the floor, I ask permission of the Chair that I may be seated while the Chair rules on this question.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Under the provisions of rule XIX, the Chair does not rule unless a Senator is called to order, in which case the Chair has no authority to rule upon the question. The Chair merely tells the Senator to take his seat. That has not been done in this case.

Mr. MORSE. I understand the operation of rule XIX. I simply think, Mr. President, that it happens to be our duty in the Senate, in the course of debate, when we think in connection with a particular legislative issue that a State policy is not in the public interest, to say so.

The Senator from Illinois, during the course of the debate, has not been motivated in his statements by any spirit of disparaging the great State of California, which is a neighbor of my State, and which I frequently am heard to say has within it what I consider to be my second home, San Francisco, where I spent so much time in years gone by. We are dealing here with a policy of the State of California which the Senator from Illinois and the senior Senator from Oregon do not think is in the public interest.

Certainly rule XIX does not contemplate that we are estopped from pointing out what we consider to be a policy of the State which is not in the public interest, without having our lips sealed here under rule XIX under the contention that we are speaking disparagingly of a State. I respectfully submit that rule XIX goes to the question of intent on the part of the debater in the Senate.

If we feel it is necessary to point out what we as Senators considered to be a wrong policy on the part of a State with respect to some legislative issue before the Senate, then certainly we cannot be considered, under rule XIX, as speaking disparagingly of the State.

Therefore, if the senior Senator from California wishes to invoke rule XIX, as he has, he ought to ask for its application, so that one does not find himself in the position I now rightfully find myself by the ruling of the Chair, because I think the ruling is completely correct.

The Chair cannot rule on a point of order until a point of order has been made by a Senator under rule XIX.

Mr. DOUGLAS. Mr. President, as I understand the parliamentary situation, my good friend, the senior Senator from California [Mr. KUCHEL], has raised a question as to whether I violated rule XIX; but he, himself, did not make a formal point of order; and the Chair ruled that since no formal point of order had been made, therefore it was proper for me to proceed.

The PRESIDING OFFICER (Mr. JORDAN in the chair). The Senator from Illinois has the floor; and he may proceed.

Mr. DOUGLAS. Is my statement a correct one?

The PRESIDING OFFICER. It is.

Mr. DOUGLAS. Mr. President, I notice that my good friend, the Senator from California, has returned to the floor. I wish to say that if he did make such a point of order, and if the Chair wishes to rule on the point of order, of course I shall abide by the ruling of the Chair.

The PRESIDING OFFICER. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, I repeat to my good friend, the Senator from California—since he has now returned to the Chamber—that if he now wishes to make a formal point of order that, under rule XIX, certain statements by me should be stricken from the RECORD, I shall appreciate it very much if he will make such a point of order, so that the Chair may rule on the question. If the Senator from California does not wish to make such a point of order, then I should like to have the privilege of proceeding with my argument.

Mr. KUCHEL. Mr. President, let me say to my very able colleague, the Senator from Illinois, that I think all of us should be careful in the language we use in referring to the States represented by other Members.

I am very fond of the Senator from Illinois, and I have a great deal of respect for him. So let us now forget about the matter to which I referred.

But I hope all of us will be more careful—in line with what the Senator from Mississippi [Mr. STENNIS] admonished all of us about, a little earlier today. Perhaps we can have a little more courtesy and dignity and a little less vindictiveness. Then everyone will be a little happier.

Mr. DOUGLAS. Mr. President, if the Senator from California will point out any lack of courtesy by me or any lack of dignity by me, and if such a point of order is upheld by the Chair, I shall be very glad to apologize. But in default of the raising of such a specific issue, I should like to have the privilege of proceeding with my remarks. However, first I wish to give the Senator from California an opportunity to make any charges he may wish to make against me.

Mr. MORSE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. First, I think we should give the Senator from California

a chance to make any charges he may wish to make about a lack of dignity or about vindictive statements by the Senator from Illinois.

Mr. MORSE. I wish to address myself to that very matter, if the Senator from Illinois will yield to me.

Mr. DOUGLAS. Very well; I am glad to yield.

Mr. MORSE. I rise as a witness on behalf of the Senator from Illinois. I have listened to every word of the debate; and I wish to state that I believe it is clear that the statement the senior Senator from California has made is not warranted—in other words, that any changes in regard to a possible violation by the Senator from Illinois [Mr. DOUGLAS] of rule XIX are not warranted.

In my opinion, the Senator from Illinois has done a magnificent job, a courageous job, and a forthright job in discussing the merits of this issue; and he has done so within the rules. So, Mr. President, in my judgment there is no basis for the slightest implication that the Senator from Illinois has in any way violated rule XIX.

Mr. DOUGLAS. Mr. President, I appreciate the statement of the Senator from Oregon.

However, if I have violated rule XIX, of course, I should be admonished and censured. So in all humility I shall submit myself to the ruling of the Chair.

Mr. President, I take it that the silence indicates that no charges are to be preferred against me.

Mr. President, I was attempting to point out that if section 6(a) is retained in the bill, we cannot depend upon Federal law to apply the 160-acre limitation to the second 500,000-acre block of land which will come under irrigation, and that then the only resort will be to the California State Legislature. Now I wish to choose my words very carefully. I wish to say this: That is a feeble reed to lean upon; and if this be a reflection on the State of California, if this be treason, I am afraid the Senator from California will have to make the most of it. The Senate of the California Legislature is gerrymandered; and the mountain counties, which have a very small fraction of the total population of the State, have control of the California Senate. Those mountain counties are no more interested in the irrigation counties or areas of the Central Valley than they are in Los Angeles or in San Francisco Bay. One cannot depend on that legislature.

Furthermore, if the Senator from California wishes me to do so, I can ask unanimous consent to have printed in the CONGRESSIONAL RECORD articles from Collier's Weekly, in times past, describing the activities of Mr. Arthur Samish and the control he had over the California Legislature. If that be treason against California, we shall have to refer to Collier's Weekly, which is now defunct; but I suppose there are assets of the Crowell Publishing Co. which could be attached.

Mr. President, I hope very much that we can establish friendly relations with the senior Senator from California [Mr. KUCHEL], who is one of the finest Members of this body. This is the first time

in our many years of service together that we have had the slightest degree of personal difference.

I wish to give both the senior Senator from California and the junior Senator from California an opportunity to square themselves before the court of public opinion, by withdrawing section 6(a).

Mr. President, as the fine Senator from Ohio [Mr. LAUSCHE] has said, I wish to state that if section 6(a) remains in the bill, I will fight the bill on the beaches, in the streets, and in the fields. But if section 6(a) and the other phrase on page 3, specified in our amendment, are eliminated from the bill, then I shall support the bill—although not with too great enthusiasm, because it will hurt my section of the country; but then I shall support the bill in the national interest.

So in the interest of California and in the interest of the fine reputation of the senior Senator from California—and I mean that; I am not attempting to "butter him up," he is one of the finest Members of this body—I hope he will agree to our amendment to strike out section 6(a).

Mr. President, I think I have said enough; and I am ready to yield the floor. I now yield the floor.

Mr. MORSE. Mr. President, I think section 6(a) of the bill is a bad provision. I think it is bad so far as the public interest is concerned, just as are bad nominations. Therefore, I rise to make a record against it at some length, but before I do so I want to pay a tribute first to the Senator from Illinois, and then to two non-Senators.

The Senator from Illinois comes from a Midwest State. He comes from a great industrial State. He comes from a State the people of which, except that they also have a national stake in sound reclamation projects, cannot be considered to be, as of now, directly concerned in a piece of legislation such as that pending before the Senate.

Therefore, Mr. President, I think it is a remarkable thing and good proof of the statesmanship of the Senator from Illinois that he has taken the lead, as he did last Tuesday, and he has again today, in seeking to protect the public interest against the great wrong which I think the retention of section 6(a) in the bill would do to our country. So I, as one colleague, thank him very much for his leadership in this issue. I was proud, as I am sure my junior colleague was, to join with him in fighting for what we think is a very vital principle in the whole field of vital natural resources, involving not our generation alone, or not so much our generation as future generations. My speech will bear in no small degree on that facet of the problem.

In my opinion, too often the public is not fully aware of the sources of much of the information which we Senators use in debate, and frequently is not so familiar as it probably should be with the fact that we have some wonderful assistants and researchers associated with us. True, we use the Library of Congress. True, we use other research

agencies. But we also have research assistants assigned to us in our offices. I should like to pay tribute to a great administrative assistant, assigned to the Senator from Illinois [Mr. DOUGLAS], who does not have the slightest idea that I am going to refer to him. I refer to Frank McCulloch, who is assigned to the office of the Senator from Illinois. I think he is one of the keenest research men on the Hill, and a truly dedicated public servant behind the scenes. He is a thorough student of every subject he takes up.

It was a matter of great pleasure for me to sit here on the floor of the Senate and watch the Senator from Illinois this afternoon as he submitted valuable information and made the arguments on this issue, so ably assisted by his great administrative assistant, Frank McCulloch, who sat at his right arm all the time, and really constituted a reservoir of knowledge of the facts which are involved in this complicated bill.

Likewise, I want to pay an equal compliment to my administrative assistant, Mr. William Berg, Jr., who will probably roundly scold me when I get back to my office. Mr. Berg graduated from the University of Oregon School of Law, during my deanship of the law school in 1931. He was with me in 1937 in the Department of Justice. He was with me on the National War Labor Board as my first assistant. He is with me now in the Senate of the United States.

I think men such as McCulloch and Berg deserve the recognition which I seek to give them in the RECORD this afternoon.

There are many more administrative assistants, research assistants, and legislative assistants who do a grand job of research for Members of the U.S. Senate and whose work makes it possible for us to come to the floor of the Senate prepared to participate in debate on highly complicated economic and other types of problems.

I was moved this afternoon as I watched the Senator from Illinois do the masterful job he did, and realizing that that great right arm of his, figuratively speaking, was sitting alongside of him—and I refer to Mr. Frank McCulloch—I thought this tribute was long overdue. I am pleased to pay it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. I am very glad the Senator from Oregon has paid a tribute both to Mr. McCulloch and to Mr. Berg. Mr. McCulloch has been associated with me ever since I came to the Senate some 11 years ago. I have never known a more able, devoted, and unselfish man than he. I have never known him to make a misstatement.

I have never known him to depart from the truth in the slightest degree. I have always found him to be swayed by the public interest. He is excessively modest. I would have been a far worse Senator if it had not been for him. I have a feeling of great humility in associating with him.

I frequently find that bright people are not particularly good, and that good

people are not particularly bright, but Mr. McCulloch is a rare combination of goodness and brightness. To my mind, he is indeed something of a miracle. I am very happy that the Senator from Oregon has paid tribute to him. In fact, I only wish Mr. McCulloch were in the Chamber to hear these words. I think he will read them in the CONGRESSIONAL RECORD tomorrow.

I will also say, judging from what I have seen of Mr. Berg, he is of the same stamp.

Mr. MORSE. I would expect the Senator from Illinois to say what he has said about Frank McCulloch, and I want to say that everything which has been said about Frank McCulloch applies equally to my administrative assistant, Bill Berg.

Mr. President, I now proceed to discuss the bill, supplementing the remarks of the Senator from Illinois.

Mr. President, many years ago a great American said:

The creation of small irrigated farms under the Reclamation Act is a powerful offset to the tendency of certain other laws to foster or permit monopoly of the land. Under that act the construction of great irrigation works has been proceeding rapidly and successfully, the land reclaimed are eagerly taken up, and the prospect that the policy of national irrigation will accomplish all that was expected of it is bright.

The Reclamation Act drives much of its value from the fact that it tends to secure the greatest possible number of homes on the land, and to create communities of freeholders, in part by settlement on public lands, in part by forcing the subdivision of large private holdings before they can get water from Government irrigation works. The law requires that no right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one landowner. This provision has excited active and powerful hostility, but the success if the law itself depends on the wise and firm enforcement of it. We cannot afford to substitute tenants for freeholders on the public domain.

Who made that statement? The great Theodore Roosevelt, 26th President of the United States, in his fifth annual message of December 5, 1905.

Two years later Theodore Roosevelt, in his seventh annual message of December 3, 1907, made these memorable remarks:

Irrigation should be far more extensively developed than at present, not only in the States of the Great Plains and the Rocky Mountains, but in many others, as, for instance, in large portions of the South Atlantic and Gulf States, where it should go hand in hand with the reclamation of swampland. The Federal Government should seriously devote itself to this task, realizing that utilization of waterways and waterpower, forestry, irrigation, and the reclamation of lands threatened with overflow, are all interdependent parts of the same problem. The work of the Reclamation Service in developing the larger opportunities of the western half of our country for irrigation is more important than almost any other movement. The constant purpose of the Government in connection with the Reclamation Service has been to use the water resources of the public lands for the ultimate greatest good of the greatest number; in other words, to put upon the land permanent homemakers, to use and develop it for themselves and for their children and children's children.

Mr. President, the comments of a great man, which I have just quoted, set a proper tone for the discussion of Senate bill 44, which is now pending before the Senate. It is on the basis of those great principles laid down by President Theodore Roosevelt in 1905 and 1907 that I propose to raise my objections to section 6(a) of S. 44.

Before I express my views on one particularly objectionable feature of this otherwise good bill, I wish to review briefly some of the reasons which prompted Congress to enact the Reclamation Law and its 160-acre limitation on irrigation benefits to preserve and protect the family-sized farm.

This background material is important, because S. 44, in my opinion, affects not only the San Luis unit, which consists of approximately 450,000 acres in the Central Valley but areas adjacent to the Central Valley of California which might at some time be irrigated, either under a State or Federal, or by a joint State-Federal program.

It is my opinion that the San Luis bill, as presently written, would subvert Federal reclamation law. It would tie the hands of the Secretary of Interior in administering programs under reclamation law, and it would give the State of California the veto power over any joint program called for or vaguely referred to in the bill.

The principle of reclamation law, as set forth in various statutes over a period of 56 years, rests solidly on principles of land law which have existed ever since the founding of this Nation. The Reclamation Law of 1902 was merely an extension of the family farm policy carried on during the 19th century. The Founding Fathers acted wisely when this Nation was in its infancy, in curbing the right of individuals to hold landed estates intact and to compel distribution of land in a family. As early as 1776, the Legislature of Virginia abolished entail, curbing the rights of individuals to pass on to the oldest son the entire estate.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. That was the work, as I remember, of Thomas Jefferson.

Mr. MORSE. I was about to point out that it was the work of Thomas Jefferson.

Thomas Jefferson called this practice "essential to a well-ordered republic." He said the purpose of the law was "to annul privilege, and instead of an aristocracy of wealth, of more harm and danger, than benefit to society, to make an opening for the aristocracy of virtue and talent, which nature has wisely provided for the direction of the interests of society, and scattered with equal hand through all its conditions."

This view of Thomas Jefferson became accepted as a national policy, as is evidenced by the action of Congress in attempting to secure as wide a distribution of lands in the public domain as was economically feasible. Laws were passed which made it possible for veterans and others to carve homes and farms out of the wilderness. Land policy was imple-

mented in the Preemption Act of 1841 and the Homestead Act of 1862. These laws were designed to distribute the benefits of the public domain widely by favoring actual settlers against monopolists and speculators of that day.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Is it not true that the 160-acre Homestead Act which, when passed, was intended to apply primarily to lands west of the Mississippi River, was also intended to make the great Mississippi Valley the valley of democracy?

Mr. MORSE. It certainly was.

Mr. DOUGLAS. Is it not true that the wide distribution of the land and property has furnished the basis for economic democracy in the Middle West, and that out of the economic democracy in many States have come movements for political democracy; notably, the La-Follette movement and, as well, the support which the great Senator Norris and others have received?

Mr. MORSE. And the great agrarian Populist movement.

Mr. DOUGLAS. The Senator is correct.

Mr. MORSE. The Senator from Illinois is completely correct. The Senator from Illinois heard me say on another occasion something which I shall repeat here today, since it bears on what the Senator from Illinois has by implication pointed out. We talk about political democracy, but we cannot have it without economic democracy. We cannot have political freedom of choice for the individual without economic freedom of choice for the individual. Therefore, I say again today on the floor of the Senate, if I were to be asked to name one thing—if I were limited to the naming of one thing only—which I think is the greatest guarantee of the perpetuity of our democratic form of government, what I would name would be private home ownership in the city and family-farm ownership in the country. On that type of ownership, I think, is dependent, more than we sometimes fully realize, our whole system of political and economic freedom of choice for the individual.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. The Senator from Illinois remembers the writings of James Harrington, the political thinker of the Commonwealth period in England. He wrote the book *Oceania*, in which he stated that he who is the bread giver is the lawmaker. If a man feed his people, they become his fiefs and serfs.

Harrington was saying that the political democracy of the Commonwealth could be established on a firm basis only if there were economic democracy, breaking up the large estates of England, so that the cultivator would be the landowner, instead of the laborer or the tenant. If the land is locked up in huge holdings, and people are working on the land, either as farm laborers or tenants who can be dispossessed at any time,

such people can never build up social or political authority.

Mr. MORSE. In my judgment what the Senator from Illinois says is unanswerably correct.

As I enter upon a discussion of my objections to section 6(a) of the bill, let me say that, in my judgment, the history of land economics is on our side. There is in this country, an inseparable relationship between land economics and political democracy, political freedom of choice.

This issue cannot be laughed off. It should not be shuffled aside. It must not be treated lightly.

I know that there are not many Senators present at this hour when the Senator from Illinois and I are trying to call the attention of the country to the importance of this issue; but even though many seats in the Senate may be vacant, I am sure that once the people of the country know the facts they will stand with the Senator from Illinois and the two Senators from Oregon on the merits of this issue. I am also sure that other Members of the Senate will stand with us.

So I believe that once again we are just about where we were on Tuesday night in the Senate, after a debate on this question. We have made a record; and we will complete the record here tonight, so far as concerns those of us who are opposed to section 6(a). Let me say to the majority and minority leadership that we believe that, because of these vacant seats, this record should be read before a vote is taken, unless it is possible for us, in the course of the debate, to arrive at an understanding with the two Senators from California.

We are dealing here with a very vital issue, so far as the future of America's land policy is concerned. When we deal with the question of land policy, we are dealing with many other interests of future generations.

I am not inclined to let this question come to a vote tonight, because I feel that I owe it to the great conservationist groups of the country, to the farmers of the country, and particularly the operators of family sized farms, and to all the people of the Nation, to do everything within my power to see to it that this question does not come to a vote tonight. Not until the Senate has had adequate time to give consideration to the great record which the Senator from Illinois has made here this afternoon—to which I hope to make my small contribution—should the issue come to a vote.

Therefore, I think the leadership of the Senate should take note of what I have said in regard to my intention to do what I can to give complete assurance to the people of the country that I shall do all in my power to see to it that a vote is not taken on this question in the Senate tonight, and not until Senators first have an opportunity to read the record which the Senator from Illinois has made this afternoon—unless, during the course of the debate, we may reach an understanding with the two Senators from California in respect to section 6(a).

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. I cannot imagine any Senator I would be more delighted to yield to than my good friend from California. I am very happy to see him in the jovial mood which the winning smile on his face now indicates. I yield to the Senator from California.

Mr. KUCHEL. I thank my good friend.

I join with him in feeling that, under all relevant considerations, it would be quite unwise to have a vote tonight, not merely for the reason my able friend has outlined, but for some other reasons which he and I together might well conjure up in our minds. So I say to my friend that, so far as I am concerned, there will be no vote tonight.

Mr. MORSE. I invite attention to the fact that S. 44 would weaken the national policy which provided a method to establish our agrarian democracy, out of which grew our great industrial economy. Land is literally the foundation on which this Nation has grown and flourished. Wide distribution of land has made possible our democratic society.

Under the homestead laws, a man could go out, select 160 acres which was not already occupied, drive stakes down, occupy it for 5 years, and, upon payment of a small fee, could obtain title to the land. In the settlement of the western domain in the 19th century, abuses of our land laws crept in and vested interests, by one means or another, secured title to vast areas.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. Have not some examples of that situation been developed in the debate on this measure—for example, the Southern Pacific Land Co. got 148,000 acres as a bonus for constructing a railroad, but it never constructed the railroad?

Mr. MORSE. That is exactly the type of acquisition I referred to in the statement I just made.

I asked Senators to look at the map which the Senator from Illinois has made available to the Senate. It is a checkerboard map which shows how the Southern Pacific got some 148,000 acres of land on the basis of the representation to the Federal Government that if that land were allocated to it, it would build a railroad. It never built the railroad, but it got the land.

Mr. DOUGLAS. Now it wants to hold onto the land.

Mr. MORSE. I do not intend, in 1959, to be a party to any arrangement, under such a bill as S. 44, which would permit such a landholder to take advantage of a Federal water project which really falls under the application of the reclamation laws of the country, with the limitation of 160 acres attached thereto.

It is an old story. We must stand up in the Senate against powerful interests when they seek to execute such a diabolical scheme, which would do such great damage to the public interest. There is no language I know of that could gloss it over. There it is, in all its ugly nakedness, in the pending bill.

I ask Senators to look at the charts and maps which the Senator from Illinois has placed upon the map stands for inspection by Senators. They show what the two Senators from Oregon, under the leadership of the Senator from Illinois, are fighting for in this debate.

The Southern Pacific Co. must be stopped in this water grab, not only the Southern Pacific Co. but the other large landowners in the Central Valley of California, whose holdings as shown by the Senator from Illinois who has placed the figures in the RECORD, involve many thousands of acres.

Mr. DOUGLAS. Tens of thousands of acres.

Mr. MORSE. Yes.

Mr. DOUGLAS. Indeed, hundreds of thousands of acres.

Mr. MORSE. We must see to it that Members of the Senate have the time to study the RECORD, so that they will be fully aware of what is involved in what I call a water grab, and why the Senator from Illinois and the two Senators from Oregon are seeking to get section 6(a) stricken from the bill.

Mr. President, in the last century land speculation was rife. There were many scandals involving the General Land Office. In 1885 the Commissioner of the Land Office joined with others in calling attention to the rapid conglomeration of western landholdings during the 19th century under defective statutes and loose administration. William A. J. Sparks said:

I found that the magnificent estate of the Nation in its public lands has been to a wide extent wasted under defective and improvident laws and through a laxity of public administration astonishing in a business sense if not culpable in reckless of official responsibility. The land department has been very largely conducted to the advantages of speculation and monopoly, private and corporate, rather than in the public interest. * * * It seems that the prevailing idea running through this office and those subordinate to it was that the Government had no distinctive rights to be considered and no special interests to protect. * * * I am satisfied that thousands of claims without foundation in law or equity involving millions of acres of public land, have been annually passed to patent upon the single proposition that nobody but the Government had any adverse interest.

Paul Wallace Gates, an authority in the field of land history, had this to say about the Homestead Act of 1862:

The land reformers reckoned too lightly * * * with the astuteness of the speculators who in the past had either succeeded in emasculating laws inimical to their interests or had actually flouted such laws in the very faces of the officials appointed to administer them. * * * The administration of the law, both in Washington and in the field, was frequently in the hands of persons unsympathetic to its principle, and Western interests, though lauding the act, were every ready to pervert it.

It is a remarkable thing, Mr. President, how selfish interests over and over and over again have repeated their tactics in fields such as this. The devices are almost as old as the country. If there were ever a field concerning which we should always keep in mind the warning to a free people of the importance of constant vigilance in protecting

the public interest, it is in connection with land economics. Here once again we have powerful land interests in California seeking to pollute the stream of public interest. It must be stopped.

That is why the Senator from Illinois, from a midwestern State, and the 2 Senators from Oregon, from a western State, have in this debate stood up against these powerful interests. We are confident that once the American people come to understand our position, they will be with us, as the American people always have been in all the other areas when land frauds and land steals—what I would call in this instance a water steal—finally come to be understood by them. They said to their political representatives, "You must do something about bringing about the necessary reform to prevent this kind of invasion of the public interest." They will on this occasion, too. In fact, I am not going to give up hope that the 2 very fine Senators from California may, before we get through with the debate, agree with the Senator from Illinois and the 2 Senators from Oregon that section 6(a) be stricken from the bill.

I hoped they would do it last Tuesday. I was hoping that they would do it today. I never give up hope. I hope that the interests in California who believe in good government and who believe in protecting the public interest will join, between now and Monday, in the suggestion that the two Senators from California adopt our proposal to strike section 6(a) from the bill.

In fact, I know California pretty well, and I would be perfectly willing to take before any cross section population group in the State of California the views expressed on this issue by the Senator from Illinois. I would let them decide the issue. My confidence in the people of California is such that I am satisfied that any cross section group of Californians, once given the facts about the position taken by the Senator from Illinois, would agree with us and would, in effect, say to the Senate, "Strike section 6(a)."

It is interesting that the Senator from Ohio [Mr. LAUSCHE], whom I see on the floor, representing in part the great State of Ohio, representing a people, such as the Senator from Illinois represents, who have no direct, immediate interest in the project itself, except for the ever-present public interest, after listening to the debate with his open mind, would stand up, as he did a few minutes ago, and say to the two Senators from California, "I have listened to the explanation of the Senator from Illinois. I ask the Senator from Illinois if this is not the issue." Then he put the issue, as the Senator from Illinois and the senior Senator from Oregon have been trying to put it throughout the debate. He based his question upon the objective of protecting the reclamation law, as Theodore Roosevelt did in 1905 and 1907, and as the Senator from Illinois [Mr. DOUGLAS] and I are doing here on the floor of the Senate tonight.

The Senator from Ohio said, "Take section 6(a) out of the bill and I will vote for it. Leave it in, and I will oppose

it." I believe that the people of California, once they get the same facts the Senator from Ohio got this afternoon, as he listened to the debate, will take the same position.

All we need is a little time to get the merits of this issue understood. Then, in my judgment, the Senate will sustain the Senator from Illinois.

Years ago, in the West, a water monopoly was feared as well as a land monopoly. Proceedings of numerous irrigation congresses are filled with references to the dangers of permitting either land or water monopoly in the West.

A comment of a member of the first irrigation congress held in 1891 in Salt Lake City reflects this fear of monopoly and the desire that the Government would bring irrigation to small farmers. This man said:

The tendency of the great West * * * is this accumulation of vast estates in land. The object of good Government is to stop this insofar as it can and give * * * the poor man a chance to own 10, 20, 40, 60, or 100 acres if it is in his power to cultivate it.

A delegate to the irrigation congress of 1893 said:

I am not working for the purpose of keeping this in the possession of any one corporation, or any one people. I want the whole people from now on—from generation to generation—to own that water—own that power.

Mr. President, these were the little people of America speaking at this irrigation congress of 1893. They are typical of the little people of America on the farms of the West, who today look to their representatives in the Senate of the United States to protect the water supply of the family farmer of America. They are the same as the little people of 1893, so far as their economic interests and political outlook are concerned.

So in 1893 one of these so-called little people said as follows in that irrigation congress:

We want to make that water forever what it is in law, in jurisprudence, in history—the public property of the people, to be transferred, under proper regulations, to beneficial uses for the people who own the land.

I have produced some of those great statements of the past made by the little people of America—those who worked on the soil with their hands—because they are the ones who really gave birth to this great reclamation land policy. Through their toil, this policy was written into the law. I ask: Are we going to turn our backs on them? Are we going to walk out on the great heritage which they really wrote into the land law of this country, not only for the benefit of their generation, but for ours and for generations to come?

Oh, I know it is sometimes difficult to get politicians to stop long enough, under the pressure which harasses us from day to day, under the demand for speedy action by the Senate, to reflect upon the historical origins of some of these great policies of Government. One does not win a popularity contest in the U.S. Senate by trying to get into the RECORD, and as the Senator from Illinois

did in the early part of the afternoon, the dramatic history of the great reclamation law. It is a history written in terms of human struggle. It is a history written in terms of human values. It has been raised by the San Luis bill. It has brought into focus and contest in the U.S. Senate, in the year 1959, a great issue as to whether we shall turn our backs on the sound water policy of 1903, 1905, and 1907, which the fathers of conservation in the United States—Teddy Roosevelt and Gifford Pinchot—succeeded in writing into the law books of this Republic.

The job of legislating is a job which requires us to do our bookwork. It is a job of being students of the governmental history of our country.

What I fear, and what I have feared ever since last Tuesday, when the bill first reached the floor of the Senate, is that there will be pressure for hasty action. As the Senator from Illinois knows, at one point in the proceedings, an attempt was made to get a unanimous-consent agreement to so limit debate on the issue that the kind of historic record which the senior Senator from Illinois and the senior Senator from Oregon have made today on the bill could not have been made had we yielded to that pressure for haste.

As I have said before, and repeat today, I will in the Senate drag my feet more and more on suggestions in support of unanimous-consent agreements so long as I think the historic record needs to be made. An issue such as that presented in the San Luis bill ought to be decided in terms of the historic record. I know all my colleagues are not familiar with that record and cannot be expected to know it. But they have a duty to take the time necessary to learn the basis on which the Senator from Illinois and the two Senators from Oregon have raised their objections to the bill. That is why, dry as this academic lecture on the history of the development of our water law and our reclamation law may be, it nevertheless, in my judgment, is vital to a consideration of the merits of the San Luis bill. I shall make that record, no matter how long it may take me on the floor of the Senate to make it, because I believe it is my duty as a student of government, representing the people of my State, to be able to go home and honestly reply when they ask me the question: "What happened when the San Luis bill was before the Senate?" My reply to them is this: "I put in the RECORD the history of the great water and land policies which were relevant to an intelligent consideration and final vote on the bill."

I did not ask to have a course of action followed by the Senate which would make necessary the inclusion of this historical background record. My colleagues will recall that early in the consideration of the bill, I urged that the two Senators from California work out with the Senator from Illinois and the two Senators from Oregon an agreement to strike section 6(a) from the bill.

Now that he is in the Chamber, I wish to pay my compliments to the junior Senator from California [Mr. ENGLE]. I

could not possibly work with anyone who has been more cooperative in discussing with me our respective differences on the bill.

Now that the senior Senator from California [Mr. KUCHEL] also has entered the Chamber, my compliments apply likewise to him.

I am sorry we have not yet reached a final understanding on the matter, but what has happened is that the two Senators from California unwittingly and unknowingly, I am certain, have presented to the Senate a bill which includes a section that raises the whole issue of whether the historic principles which I have just cited in this field shall be overturned and ignored by the Senate in May 1959.

If what it takes is to have the Senator from Illinois [Mr. DOUGLAS] and the senior Senator from Oregon—a couple of old professors, with always the tendency, I know, as our critics sometimes say, to lecture to the Senate—occupy enough time to get the educational background, the reclamation laws, and the water policies of the country into the record, so that our colleagues will have notice of the issues involved, we intend to do it.

I cannot possibly do the job which the great former professor of economics at the University of Chicago has done on two occasions in this debate, but I will do my best, because I have worked long and hard on the academic features of the issue.

Let me say that academic features of issues like this are very practical features, very real features. They involve, in this instance, a recitation of the history of the water policies of the United States, starting, as I say, with the early irrigation congresses, from which I have been quoting some of the little people of America who attended those congresses and spoke for the dirt farmers and the family-farm owners of America. They spoke with an eloquence which no U.S. Senator today can begin to equal, as the language I have just read from their speeches so clearly shows.

Mr. President, I will not vote for a San Luis bill which has in it section 6(a), a section which, in my judgment, if I voted for it, would cause me to betray a trust in behalf of which those irrigationists of 1893, 1895, and 1897, who attended the various irrigation congresses, spoke so eloquently. They left a trust to us in the Senate of the United States, and I intend to keep faith with that trust.

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. Certainly.

Mr. KUCHEL. Will the Senator from Oregon indicate what, in his judgment, the intention of this amendment is with respect to any waters which might be impounded in a San Luis Reservoir, and which would be utilized by the State system, rather than by the Federal San Luis project?

Mr. MORSE. Mr. President, if my friend, the Senator from California, will bear with me, I shall go into that matter in considerable detail later in my speech. But first I should like to present the historical sequence; and then

I shall be glad to discuss, at whatever length the Senator from California would wish to have me do so, some of the legal implications of this provision of the bill which I think clearly warrant striking it from the bill. Later on, I shall be glad to discuss with the Senator from California those legal implications.

Mr. KUCHEL. Very well.

Mr. MORSE. Mr. President, George H. Maxwell, considered the father of reclamation, told the Irrigation Congress of 1896 that arid pasture lands for sheep "should be kept forever as the common heritage of the people, never to be sold but to be leased only to actual settlers living upon the adjoining farms."

During the last irrigation congress, one delegate expressed a fear which I share in regard to the bill we are dealing with today. That delegate from Montana was fearful that "after the Government had borne all the expenses of construction, the water would inure to the profit of a few," and he suggested that control by the Government should "always and forever be under the control and distribution of the U.S. Government."

Mr. President, I think those quotations from delegates to the various irrigation congresses are not only eloquent, but they also show how it has been necessary over the decades for the little people, the family farmers of our country, the delegates to irrigation congresses, to function as guardians of the land heritage of the Nation, so that the boys and girls of this generation can enjoy that heritage. If succeeding generations are to enjoy that heritage, too, Mr. President, on this day in May 1959, or on next Monday in May 1959, the Senate of the United States must not scuttle it by the passage of the San Luis bill in its present form.

Mr. President, years ago George H. Maxwell attempted to quiet the fears of many by calling attention to the original resolution of the Congress, which is as follows:

The water of all streams should forever remain subject to public control, and the right to the use of water for irrigation should inhere in the land irrigated.

That means, Maxwell told the Congress:

No man can own the right for speculative purposes, and beneficial use should be the basis and measure—that means to the extent you use the water beneficially, is all that you can have, and the limit to the right.

Now there you have the fundamental principle upon which you can build irrigation institutions in these Western States that will endure as long as the human race occupies them and water monopoly will be an impossibility. * * * I do not want anybody to go away from the Congress with the idea that this subject has not been considered and the solution of it found.

Mr. President, that has always been the theory of our reclamation laws ever since they were enacted. It is because in my judgment, this bill will do a wrong to that theory that I joint with the Senator from Illinois in objecting to section 6(a) of the bill.

One of the problems which emerged during the 19th century was the problem

of watering lands artificially in areas where rainfall was insufficient. In the humid East, widespread distribution of the land was not such a great problem. Land and water were joined together under natural conditions, but in the West where the water was separated from the land, means of bringing the land and water together had to be devised. So in the arid West we not only have the problem of land distribution, but we also have the problem of water distribution. Congressmen in the 19th century, in attempts to solve the problem of land water, tended to think of the new problem in terms of the old one. They attempted to devise legislation which would distribute to each farm enough water to irrigate 160 acres. The principle underlying such distribution was the same as that under the homestead laws.

But by the end of the 19th century it was apparent that the limitations on homesteaders must be liberalized. So, when the Reclamation Act was passed, in 1902, it provided that one person could have title to water sufficient to irrigate 160 acres of land, and that if he were married, his wife was entitled to a similar amount. So, under reclamation law, actually we have for a family a 320-acre limitation. Over the years it has been agreed that the amount of water a family was entitled to was insufficient to provide a good standard of living for the farmer and his family. Numerous studies have been made by the Department of Agriculture and other agencies. All of these studies indicate that 320 acres of irrigated land is sufficient to support a family.

Theodore Roosevelt, possibly more than any one individual, has been responsible for the preservation of our natural resources and the democratic distribution of our public lands. Roosevelt saw far into the future. He realized if the great landed monopolies got control of the public lands, they would use their economic power to implement or extend their political power. Roosevelt feared, and feared rightly in my opinion concentration of landownership in a few hands would eventually mean the end of democratic government. He knew that human greed is insatiable; that the land monopolists would not stop after they had converted public lands and lands distributed from the public domain into a vast feudalism.

Roosevelt knew also that in countries where there is not widespread distribution of land, there is not democratic government. Land monopoly has led to autocracy and dictatorship in every nation in the world where it has prevailed. Unfortunately, the United States has fallen heir to certain land patterns which were developed in Spain and in Mexico. The Spanish land grants have formed the basis for vast holdings which excluded farmers and made impossible an equitable and democratic distribution. Probably no State in the country is a better example of that than is California.

A similar situation exists because the Federal Government, seeking to accelerate economic development of the coun-

try, gave away vast acreages to the railroads as an inducement to expand our transportation system. The Southern Pacific received vast acreages in the San Luis area in the 1870's and 1880's for a railroad which as the Senator from Illinois has stated over and over again in this debate, it never built.

We do know what was admitted in testimony by one of the railroad's officials, that this great railroad does control and own 120,000 acres in the San Luis Federal service area. We know also that this witness indicated that his company would not get rid of its excess lands. He stated flatly that the railroad lands were not for sale.

Getting back to my discussion of the development of the antimonopoly laws, it is pertinent to call attention to the fact that the law had to be strengthened from time to time. It has been amended repeatedly to prevent speculation and to stop loopholes which had not been apparent when the original law was passed.

Those who designed the reclamation law of 1902 inserted five devices aimed at the prevention of monopoly. First was the use of public funds to carry out reclamation programs. Public enterprise was to be financed by a reclamation fund consisting of revenues from the sale of public lands in the Western States. This fund was to recover project construction costs from the users in annual installments. In this way the fund would revolve and provide continually for new projects.

A second measure was to prevent monopolization by the commutation provisions of the homestead law when applied to reclamation projects. This commutation privilege offered a cash alternative to the requirement of personal inhabitancy of a claim. This practice, which today has been advocated repeatedly, seemed to be a part of Department of Interior policy. It has been known as the lump-sum theory. Actually, it amounts to the barter of public policy favoring the actual settlers for the monopolists' ready cash. Congress, fully aware of this, forbade commutation on reclamation projects in 1902.

A third safeguard against monopoly stiffened the inhabitancy requirements of the earlier homestead law. It stipulated that an entryman must be either a "bona fide resident on such land, or occupant thereof residing in the neighborhood and must reclaim for agricultural purposes at least one-half of the total irrigable area of the entry." The bill further authorized the Secretary of the Interior to lower the maximum area per entry to the acreage reasonably required for the support of a family. Framers of the act of 1902 realized that the traditional quarter section granted in humid areas was often too large for a family farm on irrigated land.

The fourth safeguard against monopoly provided that water rights shall be "appurtenant to the land irrigated and beneficial use shall be the basis, the measure, and the limit of the right." Irrigationists had been greatly dissatisfied with dependence on others in control of their water supply and regarded tying

water and land together in common ownership as among the surest of anti-monopoly devices.

The fifth provision against monopoly in the 1902 act—and this is the most important of all—was the excess land provision. It provided that "no right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one land owner and no such right shall permanently attach until all payments therefor are made." This law does not limit the amount of land an individual may own. It merely places a limit on the amount of water an individual may receive from a subsidized Federal project. This provision rests on the principle that no individual shall obtain more public water than his equitable share.

One of the first important amendments of the Reclamation Act was the Warren Act of 1911. This amendment expanded the 160-acre limitation to include water from other than Federal reservoirs if it was delivered in Federal canals and ditches.

The Senator from Illinois has stressed very much the matter of the application of the 160-acre limitation in respect to water use when the water is delivered in Federal canals and ditches.

Mr. President, I ask unanimous consent that the Warren Act be printed in the RECORD at this point in my remarks.

There being no objection, the act was ordered to be printed in the RECORD, as follows:

TITLE 43, UNITED STATES CODE, SALE OR LEASE OF SURPLUS WATERS, WATER POWER, STORAGE CAPACITY, AND WATER TRANSPORTATION FACILITIES

§ 523. Storage and transportation of water for irrigation districts, etc.

Whenever in carrying out the provisions of the reclamation law, storage or carrying capacity has been or may be provided in excess of the requirements of the lands to be irrigated under any project, the Secretary of the Interior, preserving a first right to lands and entrymen under the project, is authorized, upon such terms as he may determine to be just and equitable, to contract for the impounding, storage, and carriage of water to an extent not exceeding such excess capacity with irrigation systems operating under section 641 of this title, and individuals, corporations, associations, and irrigation districts organized for or engaged in furnishing or in distributing water for irrigation. Water so impounded, stored, or carried under any such contract shall be for the purpose of distribution to individual water users by the party with whom the contract is made: *Provided, however,* That water so impounded, stored, or carried shall not be used otherwise than as prescribed by law as to lands held in private ownership within Government reclamation projects. In fixing the charges under any such contract for impounding, storing, or carrying water for any irrigation system, corporation, association, district, or individual, as herein provided, the Secretary shall take into consideration the cost of construction and maintenance of the reservoir by which such water is to be impounded or stored and the canal by which it is to be carried, and such charges shall be just and equitable as to water users under the Government project. No irrigation system, district association, corporation, or individual so contracting shall make any charge for the storage, carriage, or delivery of such water in excess of the charge paid to the

United States except to such extent as may be reasonably necessary to cover cost of carriage and delivery of such water through their works (Feb. 21, 1911, ch. 141, sec. 136, Stat. 925).

§ 524. Cooperation with irrigation districts, etc., in construction of reservoirs and canals.

In carrying out the provisions of the reclamation law, the Secretary of the Interior is authorized, upon such terms as may be agreed upon, to cooperate with irrigation districts, water-users' associations, corporations, entrymen, or water users for the construction or use of such reservoirs, canals, or ditches as may be advantageously used by the Government and irrigation districts, water-users' associations, corporations, entrymen, or water users for impounding, delivering, and carrying water for irrigation purposes: *Provided*, That the title to and management of the works so constructed shall be subject to the provisions of section 498 of this title: *Provided further*, That water shall not be furnished from any such reservoir or delivered through any such canal or ditch to any one landowner in excess of an amount sufficient to irrigate one hundred and sixty acres: *Provided*, That nothing contained in this section or section 523 of this title shall be held or construed as enlarging or attempting to enlarge the right of the United States, under existing law, to control the waters of any stream in any State (Feb. 21, 1911, ch. 141, sec. 2, 36 Stat. 926).

Mr. MORSE. Mr. President, there have been a number of administrative decisions on this point. One was a decision by the Secretary of the Interior.

As I proceed to discuss some of these decisions and administrative interpretations, and make some reference also to judicial opinion, I would have my two friends from California keep in mind the fact that we are passing a bill—if we pass the bill with such modifications as we hope we can get into it—that is bound to be subjected to judicial interpretation. I do not think the Senators from California have any real doubt about that fact, which is why I think the legislative history we make on the bill is so important. That is why I think it is so important that we make clear that we are arguing in the Senate to protect the reclamation laws, as I have outlined their historical basis and as the Senator from Illinois has so ably discussed them. It is for this reason that I am making reference to the background history, to the laws, and now to their interpretation, because in this debate we have a responsibility to the courts of America.

Here is a project which is singular in its nature. It is a project with such an intermingling of Federal and State interests, such an intermingling of Federal and State activities, such an intermingling of Federal and State funds, that we are really dealing with what we in the law refer to as a singular case.

I am not a good enough lawyer to feel that I can predict with any certainty what the judicial determinations may be in the future in regard to the effects on existing law of the passage of the bill under consideration. Nor can I predict to what extent the terms of the bill may justify a judicial modification of existing decisions. That is why I think we are talking about such an important issue. So it is important for the Senator

from Illinois and the two Senators from Oregon, in making the legislative history on this bill in this debate, to make perfectly clear that the objections we are raising are pressed in order to make the record plain that we are advocating no modification of the protection of the 160-acre limitation in respect to Federal waters; in respect to Federal jurisdiction; in respect to the historic application of the reclamation laws; in respect to the principles I have quoted in my speech, including the early statements of the founders of our reclamation system. The statements of the men who spoke in the irrigation congresses, the statements of Maxwell and the statements of Teddy Roosevelt, concerning these laws are of great significance.

As a lawyer, I know what I am doing in this debate from the standpoint of laying a legal foundation for a court decision on legislative intent. Let me say, for the courts to read in the future, that the Senator from Oregon wants it clearly understood that he is proposing no modification whatsoever of existing reclamation law; that he is countenancing no weakening of the historic water policies of this Nation in relation to the 160-acre limitation; that he is agreeing to no concession to the State of California in respect to reclamation policies and the application of the 160-acre limitation to the San Luis project, so far as all Federal interests are concerned.

As a lawyer I will say to the two Senators from California that in the last analysis it will be for the courts to determine what the Federal interest is, and the courts will refer to this debate, to the statements made by the Senator from Illinois and the Senator from Oregon, to obtain the clear expression of our purposes in seeking to strike section 6(a) from the bill. I am willing to leave the matter to the courts. I only ask the Senators from California to join me in that willingness.

Let us strike section 6(a) from the bill and, if the Legislature of California in the future does not do what the Governor of California has indicated in the telegram which the senior Senator from California read into the RECORD this afternoon, by way of seeking to get legislative action in California in respect to the 160-acre limitation, the courts still will have jurisdiction over the question of the application of this bill with section 6(a) eliminated.

One of the difficulties, among the many I have in understanding the position taken by the two Senators from California, is their position as to what will be the effect of striking section 6(a) from the bill. I say, good naturedly, the Senators seem to blow a little hot and cold about it. They seem to take the position that they do not think section 6(a) particularly affects their interpretation of the meaning of the bill.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ENGLE. I think the RECORD ought to be clear that only the junior Senator from California has taken such a position. I have taken the position that the distinguished Senator from Illinois is proposing to do something

other than what he thinks he is proposing to do. The Senator proposes to strike out language which is surplusage to the bill, which language simply states what the law is. Striking out the language will not make the Federal law applicable to the State service area.

As Governor Brown said in his telegram, either in or out, the language does not make any difference. The section is an affirmation that this construction of the law is the construction of the law adopted by Congress. To that extent I suppose it has some importance.

At any rate, certain persons in California thought the language would be helpful in the bill. I was against putting the section in the bill, because I do not believe in stating something which is already the law, and I so told them. Nevertheless, they wanted the language in.

I wish to make it perfectly clear where we stand on this matter. I do not think the language would do any harm, particularly, in stating what the law is, except that it might invite some trouble. For that reason I did not want the language in the bill. However, it is my firm opinion that if the amendment is agreed to it will not change the law. I have told the distinguished Senator from Illinois, the author of the amendment, that if he wants to apply Federal reclamation laws to the State service area, when and if it is ever built, he must do it by affirmative language and he must make the building of the Federal project conditioned upon the acceptance of that circumstance. The Senator has not proposed that. As a consequence, the amendment boils down to a ruckus, in my opinion, about who is going to be able to interpret what the Senate does.

I have repeatedly made it clear that so far as the law is concerned, it makes no difference whether the section remains in the bill or is stricken out. I suspect that my friend from Oregon and the distinguished Senator from Illinois want to strike it out and then say, "That is proof that the Congress wants to apply the Federal reclamation law, and Congress believes it does apply." But what if the House of Representatives does something different? And who knows what will happen when the question comes before the court, as it must?

Mr. MORSE. I am glad to have that statement from the junior Senator from California.

Mr. ENGLE. I take full responsibility for my position.

Mr. MORSE. I wish to discuss the statement for a moment. I highly commend the junior Senator. I feel as though I have won half the argument. Even though it is now 6:30, we might surprise the Senate. We might clear up this question tonight, if I could win the other half of the argument represented by my dear friend, the senior Senator from California [Mr. KUCHEL]. I think the junior Senator from California has made the issue so clear in this legislative record that I am willing to rest on that record.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. Let me finish this thought. I should like to tell the Sen-

ator why I am willing to rest on the record.

I believe that the Senator from Illinois, the two Senators from Oregon, and the two Senators from California, have made their legislative history. The final decision, as the junior Senator from California said in his last sentence, will rest in the courts anyway. I am willing to allow it to rest there. I think the statement the Senator has just made leaves the position of the Senator from Illinois perfectly clear in the RECORD. It leaves the Senator's own position perfectly clear; and ultimately the courts, in a specific fact situation brought into litigation, will apply the law.

I am willing to leave the position there. If we could obtain an agreement from the two Senators from California to strike section 6(a), I could place the remainder of my speech in the RECORD without reading it, and we could go to dinner.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ENGLE. Mr. President, I wish to make it clear also that I intend to support my colleague the senior Senator from California in opposition to the amendment, if he desires to oppose it.

With reference to the legal situation, I wish to cite a precedent, and then I desire to ask the distinguished Senator from Oregon a question.

The question of the effect of intermingling waters has already been legally investigated. It rose in connection with the contract with the Tulare Irrigation District. The provisions of that contract appear on page 106 of the Central Valley documents.

Water was commingled in that case—the water of the irrigation district and the water of a Federal reclamation project.

It was contended that, because the waters were commingled, all the waters were thereby freed from the burden of compliance with the 160-acre limitation, which, of course, is exactly the opposite of what the Senator from Illinois is saying today. He is saying that because the waters are commingled, the limitation necessarily applies.

The Solicitor rendered his opinion, which appears on page 698 of part II of the Central Valley documents, in the same volume as the preceding reference. The Solicitor of the Department of the Interior held that a commingling of the waters did not affect the application of the 160-acre limitation with reference to Federal land, that on Federal lands the Federal reclamation law applied; and that on the local district lands, of course, it did not apply. So the question has already been before the legal authorities of the country to some extent. It has not yet been taken to court.

Perhaps one of the things section 6(a) might do would be to eliminate the necessity for such a course.

Let me ask the Senator from Oregon, who is a fine lawyer, whether or not he agrees with me that striking section 6(a) would not mean that Federal reclamation law would necessarily apply under the

provisions of the bill, outside the Federal area?

Mr. MORSE. Striking section 6(a) would certainly make clear that the Senator from Illinois and the two Senators from Oregon have no intention of laying any foundation for a ruling that we are modifying the reclamation laws.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. The inclusion of section 6(a) would mean that Federal reclamation law would be eliminated on the second block of land to be brought under irrigation, and that the strategic position of the 160-acre limitation on the first block of land would be greatly weakened. Is not that true?

Mr. MORSE. I will say to my friend from Illinois that I am afraid its inclusion would allow a foundation for such a contention before a court, by which the lawyer might plead that that was the intention of the Congress.

What I am suggesting to the two Senators from California is that we strike out section 6(a), and then let the issue come as a clean case to the court—and it is going to the court—without any commitment on the part of the Congress that reclamation laws were, by the wildest stretch of the imagination, intended to be modified.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KUCHEL. I think it might be possible for me to ask a question of the able senior Senator from Oregon—

Mr. MORSE. I wish to make one further comment to the junior Senator from California.

I wish to point out, as he himself pointed out, that he was reading a legal opinion from the Solicitor, and not from the U.S. Supreme Court. As I understand—and I am relying wholly on my recollection now—the Senator is citing a case which involved a pure commingling of water. It was not a case with the same operative facts as the San Luis case. It was not a case in which there was a vast development of Federal works, at the great cost to the Federal Government which is involved in the San Luis case. The San Luis case involves not only a commingling of water, but a commingling of facilities.

By that I do not mean to imply at all that I think the Solicitor's opinion would survive a Supreme Court test in a commingling-of-water case; but I only wish to say that there is quite a difference, if my recollection is correct—and I think it is—between a factual situation involving only commingling of water and a factual situation such as is involved in the San Luis case, which involves commingling of both water and facilities.

Mr. ENGLE. Mr. President, will the Senator yield for a comment?

Mr. MORSE. I yield.

Mr. ENGLE. I believe the Senator is correct. I have looked up the opinion. In that case the same river was used. The facts are not on all fours by any means. However, I am of the view that it takes State legislation to apply the

acreage limitation in the State-serviced area, and that, as a matter of governmental philosophy, is the way it ought to be done. I prefer to have it done that way.

Mr. MORSE. I now yield to the senior Senator from California.

Mr. KUCHEL. I thank the Senator. Earlier in the debate the senior Senator from Illinois, in endeavoring to indicate to the Senate the intention with which he had affixed his name to the amendment, used the language: "We propose to enforce the 160-acre limitation."

I have no quarrel with that language, if the able Senator from Illinois intends that the acreage limitation be applied to Federal reclamation projects. However, the senior Senator from Illinois, by the use of that language, left open what he intended the acreage limitation to apply to.

I wish to say to my friend from Oregon that I stand here advocating no weakening of the Federal reclamation law. I say at the same time that here we have a unique situation, where there is in the mountains to the east of the San Joaquin Valley only one available site for a reservoir. The Federal engineers of the Bureau of Reclamation and the State engineers of the government of California, concluded, after lengthy professional inquiry, that that is where it would be possible for the reservoir to be constructed and jointly used.

It was the intention of my able colleague and my intention to provide that the reclamation law should apply to the area to be served by the extended Central Valley Project on the one hand; it was further the intention to make scrupulously and completely clear that, so far as the waters impounded at San Luis which would go on further south into the State system, paid for by State money, State law would and, as we believe should, apply.

Having said that, I wish to read the relevant part of section 6(a) of the bill:

SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior—

And so forth. Can my friend from Oregon answer this question? Is it his intention, in offering the amendment, to delete the language I have just read to make Federal reclamation law applicable to such water deliveries as are there described?

Mr. MORSE. Let me say to my friend that the only answer I can possibly give him, in the light of the debate which has taken place, is this: It is my intention to try to strike section 6(a) from the bill, so that the issue will go before the courts as a clean issue as to whether the San Luis project covers any land which may be involved in any of the operative facts presented by litigants in a specific court case.

I ask my friend to bear with me a little longer. In other words, what I am saying is that I think the issue, as to whether the land outside of what the

Senators from California keep referring to as the Federal service area is or is not covered by Federal reclamation law, should be determined by the court, and should not be determined on the floor of the Senate.

Mr. KUCHEL. Why does my friend from Oregon say that?

Mr. MORSE. I ask my friend from California to bear with me a little longer. Let us take possible hypothetical litigation. Federal reclamation law does not apply to State water distributed under a State system. I am not asking that it should. However, we think there is involved in the bill a Federal question as to what extent, if any, Federal reclamation law may apply to land outside the so-called Federal service area. As the Senator from Illinois has stated time and time again in the debate—and I wish the Senator from Illinois would hear me on this point—the Federal contribution, the Federal facilities, the Federal structures determine in the first instance the very existence of the project. Without them, there would be nothing.

It is our position that we ought to leave to the courts the determination of these legal questions. We believe that even if section 6(a) is left in the bill, those questions will still have to be left to the courts. However, we also believe that section 6(a) confuses the issue. We believe that both sides in the controversy stand on an equal footing before the courts if we let the application of the bill go to the courts with section 6(a) eliminated.

Mr. KUCHEL. First of all, I wish to say that I cannot tell my friend from Oregon how greatly I appreciate the length to which he has gone in trying to find some avenue by which we could arrive at an area of agreement. I appreciate it. But I do not stand on the floor in an endeavor to be stubborn. As a Senator, I do not desire to conduct myself in a stubborn fashion. I told my friend earlier what the fact is. I have been associated with this project in the Senate for the past several years. It has been bitterly opposed by some people in my State. I introduced the bill only after the State government had recommended that Congress proceed to approve it, and only after the Bureau of the Budget and the Department of the Interior likewise made such a recommendation.

A similar bill passed the Senate, as Senators will recall, a year ago. It was not considered by the House. Last January my good friend and colleague from California [Mr. ENGLE] and I were finally able to bring together all the several contending and disputing factions in California. I say to my friend from Oregon that I refer now to public factions. I do not speak of large landowners. Heaven knows, I stand on this floor trying to do what is best for the people of my State. I speak of the public agencies which were involved. Some requested that the language of section 6(a) be adopted as an amendment, so that it would be crystal clear, quite beyond the capacity of any administrator to mistake, that we intended Federal reclama-

mation law to apply to the Central Valley project, and that we intended State law to apply to the State project. The fact that those two projects were to cross at one point, where the Creator in His wisdom provided a site for a future reservoir, should not interfere with the manner in which the system would be carried forward under Federal law, in one instance, and under State law, in the other.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield to me, so that I may propound a question to the Senator from California?

Mr. KUCHEL. May I continue for a moment or two?

Mr. MORSE. Oh, yes. I have yielded to the Senator from California.

Mr. DOUGLAS. I thought the Senator from California had finished.

Mr. KUCHEL. The agreement, to the extent that I was able to participate in achieving it among my own constituents, represented one of the bases upon which we in California became united.

But I say to the able Senator from Oregon—and I speak to him as a lawyer, which the able Senator from Illinois is not—when the Senator from Illinois spoke earlier in the debate to indicate that, in his judgment, the amendment to which both he and the Senators from Oregon have affixed their names was intended to require Federal reclamation laws to apply to every drop of water which went into that joint-use dam and reservoir, my colleague, the junior Senator from California [Mr. ENGLE], and I both opposed it; and if that were the intention of the amendment, we would want it defeated. That is why I have tried to ask, with some regard to the language I used, the question I asked a few moments ago.

Mr. MORSE. It is a very fair question. I will comment on it again after I have yielded to the Senator from Illinois.

Mr. DOUGLAS. Preliminary to the question I shall ask, I may say there are, of course, two blocks of land which will be involved. The first block consists of approximately 440,000 acres which will be brought under cultivation by irrigation from works to be constructed solely by the Federal Government. The second block, of approximately the same amount—possibly up to 500,000 acres—will be brought under cultivation by facilities which the Federal Government has already furnished and will furnish, plus added facilities which the State says it will furnish.

As I understand the senior Senator from California, he is saying that State law should apply to the second block of land. I ask my good friend—and I hope he is still my good friend—

Mr. KUCHEL. Indeed he is.

Mr. DOUGLAS. What is the California law so far as land limitation is concerned? As I understand, there is no such law in California at present; therefore, for the Federal Government to abandon jurisdiction on this point would be to create a vacuum. Thus, the existence of section 6(a) would furnish the courts a great deal of presumptive evidence that it was the intention of Con-

gress that the 160-acre limitation would not apply.

I admit I am not a lawyer. At times I assert the fact that I am not a lawyer; at times I am rather proud of the fact. But I ask the Senator from Oregon if this horseback opinion of mine is so far from the truth.

Mr. MORSE. Blackstone would give the Senator from Illinois a medal. I think he has made a very clear statement of the situation.

I do not think we are so far apart as I am afraid the senior Senator from California seems to think we are. What I am saying to him, to go back to the statement I made a minute or so ago, is this: My position is that the reclamation laws do not apply to what are designated as solely State projects. I have no intention of seeking to apply them to State projects. That is a principle of law which nobody can question. The reclamation laws do not apply to State projects.

We who oppose section 6(a) in the bill take the position that the senior Senator from California and the junior Senator from California are, in effect, seeking to have the U.S. Senate pass upon a legal question, in relation to this particular project, which we think should be left to the courts. The junior Senator from California says he does not think it makes any difference whether this section is in the bill or not; he is satisfied that the courts will hold, when the question gets before the courts—

Mr. ENGLE. I will be glad to have the matter settled right here and thus abate the rumpus a little.

Mr. MORSE. I understand the Senator is willing to have the matter settled here. That is, I must say, an admission on the Senator's part of how sound the senior Senator from Illinois is in the amendment which he has offered, because he then points out that it does make a difference whether the section is in or out of the bill. I assume, from what the junior Senator from California says, that if the section stays in, he thinks he has it settled, but if it goes out, he does not have it settled.

What I am saying—and this is why I have gone into a discussion of the long history of the reclamation laws and the irrigation programs—is that we have here a case, in order to protect the reclamation laws in respect to other cases which may have variations in their facts, which the two Senators from California should be willing to allow to go to the courts.

If the Senators from California think the position is clear that a part of the project is clearly a State project and in no way is sufficiently charged with a Federal interest, so that any Federal reclamation law could be applied to it, why do they not let the question go to the courts? We who are opposed to section 6(a) as it is in the bill, are willing to do that. If the Senators from California are sound in their argument and sound in their interpretation of the law, they have nothing to lose.

If, on the other hand, what they are really trying to do is to estop the courts from making a legal determination of

whether under this set of facts Federal reclamation laws do apply, then I say most respectfully that the bill should not be before the Senate. What ought to be before the Senate, then, is a proposal for a revision of Federal reclamation law, rather than an attempt to revise Federal reclamation law through the medium of this bill.

I ask the Senators from California to bear with me a moment longer. What DOUGLAS, NEUBERGER, and MORSE are trying to do in this debate is to take the precautionary and preventive steps which will assure the people of the country that we are not modifying the Federal reclamation laws by way of the San Luis bill which, in other respects we approve. All we are trying to do is to leave to court determination the ultimate decision as to whether any phase of the operation is exempt from the Federal reclamation laws. I do not know how I could make a clearer legislative history than that. It is a legislative history which I think protects the interests of the Senators from California and at the same time protects the national interest which I think all the people of the Nation have in the reclamation laws as they are, without any modification. It is not for us to interpret those laws; that is a function of the courts.

It seems to me that all we have to do, in order to have this issue reach the court, is to agree to strike out section 6(a).

I am sure that both the Senators from California—who are very able lawyers—will if between now and Monday they will read my remarks, reach the conclusion that I have made a very fair and very clear legislative history regarding the purpose of the Douglas-Neuberger-Morse amendment, which in no way impairs the San Luis project.

But we fear that with the language of section 6(a) included in the bill, it may impair the Federal reclamation laws. We say this bill is not a proper vehicle for dealing with a possible modification of the Federal reclamation laws. We think that if the California Senators wish to take up that legislative issue, here on the floor of the Senate, they should proceed by means of a separate bill which will call for amendments to the Federal reclamation laws.

By the way, Mr. President, let me say that I happen to think that some are needed; and—although some persons may be aghast when they read this statement tomorrow in the RECORD—I happen to think that the 160-acre limitation under some fact circumstances in the country probably should be modified—for instance, in the highly arid areas of the country where 160 acres or 320 acres under modern agricultural conditions and problems cannot begin to support a family.

So what I am talking about is not that under no circumstances do I favor any modification of the 160-acre limitation; but I say that in this richest Garden of Eden in the United States—I do not think is a more fertile area in the Nation—I do not wish to see the 160-acre limitation modified in any way in respect to any acres over which the reclama-

mation laws may have jurisdiction. But the Senators from California and I cannot tell whether they do or not. That is for the courts to determine.

I think we have made a legislative record for the two Senators from California, so they can go back to California and can say before any group—I care not how partisan it may be in regard to this matter—"Senator DOUGLAS and Senator MORSE said, when they urged the striking out of section 6(a), that their position is that with it out, then they favor having the courts determine to what extent, if any, the Federal reclamation laws apply to the Federal part of the San Luis project."

Let me ask the Senators from California whether they have ever thought that it is not beyond the realm of legal possibility that the courts might say that, because the two sovereigns entered into a joint enterprise, there was a great modification in respect of the application of the reclamation laws. I do not know what the Court would hold. So far as I know, there is no U.S. Supreme Court decision precisely interpreting the legal effect of a joint venture of this type.

All I am saying—and I do not mean this negatively—is that I do not think it is fair to those of us who live outside the State of California, and who have the record that we have, during the years we have been in the Senate, of serving as watchdogs and guardians of the reclamation laws, for the Senators from California to ask us to go along with their bill which raises in our minds the very question as to whether it modifies the reclamation laws. Our point is that if the two Senators from California want to modify the reclamation laws, they should bring before the Senate a reclamation bill, not a water project bill.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. CARROLL in the chair). Does the Senator from Oregon yield to the Senator from Illinois?

Mr. MORSE. I yield.

Mr. DOUGLAS. The Senator from Oregon has properly stressed both the nature of the reclamation laws, so far as the limitation on land holdings is concerned, and the purpose of those laws. Is not the purpose to establish the family-sized farm?

Mr. MORSE. That is correct, and the case I have submitted to the Senate shows that to be so.

Mr. DOUGLAS. The Senator from Oregon has stated that in high altitudes it may be desirable to increase the limitation.

Mr. MORSE. That is correct.

Mr. DOUGLAS. Is it not true, however, that in low altitudes, such as in the Central Valley, on the rich, volcanic-ash soil, where the coming of water will cause the crops to sprout, perhaps there should be a lower limitation—lower than 160 acres?

Mr. MORSE. That is what I have said.

Mr. DOUGLAS. Is it not possible that if this debate goes much further the Senator from Oregon and I will propose a 60-acre limitation on that land, and also a

provision that not more than one member of a family can take title to such land? Then perhaps we shall really approach a family-sized farm.

Mr. MORSE. Let me say that when I said, in effect, that I do not think the 160-acre limitation is sacrosanct and unchangeable, I recognize that there are fact situations which would justify a modification of it. In some cases, 320 acres might not be enough. But, of course, I also believe that if we are to deal with any proposed legislation which would give consideration to revisions and modifications of the reclamation laws, we probably should consider proposals that—in some sections of the country where there is deep, rich soil—much less than 160 acres should be the coverage—

Mr. DOUGLAS. Which is admittedly the case in the area we are now discussing.

Mr. MORSE. That in such areas much less than 160 acres should be the coverage, because in such areas a much smaller acreage would support a family-sized farm.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield to me?

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. Mr. President, first I yield to my colleague, the Senator from Illinois; and then I shall yield to my friend, the Senator from California.

Mr. DOUGLAS. Is it not true, as the Senator has earlier read into the RECORD, that the Fresno Chamber of Commerce—which supposedly should know about the circumstances which exist there—has said that 20 or 30 acres planted in oranges or 30 or 40 acres planted in apricots, and so on, will support a family? Those figures seem to be accurate.

The Senator from Arizona confirmed the general accuracy of those figures—although not necessarily their precise accuracy.

Will the Senator from Oregon join me in drafting an amendment to the effect that not more than 60 acres shall be the limitation there, and that not more than one member of a family can hold 60 acres? Then we might really have family-sized farms for that area; and I hope my good friends, the Senators from California, would like that very much.

Mr. MORSE. I shall give consideration to that.

But I should like to make a David Harum suggestion to my friends, the Senators from California: If they will let me go to California and select just 20 acres, I have some acres in Oregon and in Maryland that I will trade for it.

Mr. KUCHEL. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. KUCHEL. After the most conciliatory efforts that our friend, the Senator from Oregon, used as a basis for his honest, sincere attempt to find a common ground on which all of us could stand, then my friend, the Senator from Illinois, comes along with his mass of misinformation—

Mr. DOUGLAS. Mr. President, does the Senator—

Mr. KUCHEL. Mr. President, I have the floor—and with his mountain of confusion, talks about orange groves in Fresno. I wish to say to my friend, the Senator from Illinois, that he should try the conciliatory tactics of our friend, the Senator from Oregon.

Mr. DOUGLAS. Mr. President, I had not noticed that the senior Senator from California was very conciliatory in his remarks on this bill, although I hope for his conversion and improvement.

Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. DOUGLAS. Let me say that I have the highest opinion of the Fresno Chamber of Commerce. Let me point out to the senior Senator from California that I have quoted figures which were published by the Fresno Chamber of Commerce, namely, that a family could make a living on from 20 to 30 acres planted in oranges—and certainly some of this land will be planted in oranges—or could make a living on 30 to 40 acres planted in apricots.

Does the Senator from California impugn the veracity of the Fresno Chamber of Commerce? If so, I rise to its defense.

Mr. KUCHEL. To the contrary, Mr. President, I comfort myself in the belief that the Fresno Chamber of Commerce considers that my record here in the Senate is not unacceptable.

Mr. ENGLE. My colleague has fine support there, I assure the Senator.

Mr. DOUGLAS. If the Senators from California want family-sized farms, let us put a 60-acre limitation in effect, and provide that only one member of a farm family can have such a farm.

The Senator from California has referred to the aggressive tactics of the Senator from Illinois as compared with the conciliatory tactics of the Senator from Oregon. The Senator must know that in every partnership it is well to have one partner "rough them up" and another to "smooth them down." The Senator from Oregon and I have this division of activity. We believe that those who try to conciliate are in a better bargaining position if there is someone who first makes a mass attack.

Let me say to the Senator from California, however, that I am not fooling about this matter. The Senator may find there is a proposal for a 60-acre limitation on the floor of the Senate—

Mr. KUCHEL. I do not quarrel with the right of the Senator from Illinois to propose any acreage limitation. I trust the Senator is not engaged in modifying the reclamation law.

Mr. DOUGLAS. No; I want to carry out the spirit of the reclamation law, which is the encouragement of family-sized farms.

Mr. KUCHEL. The Senator is entitled to that opinion, but I disagree with him.

Mr. DOUGLAS. Do not run.

Mr. KUCHEL. I am not running; I am merely going back to my desk.

Mr. DOUGLAS. Do not run. I want to make a classical comparison. The Senator from California is well aware of the fable of the Sicilian innkeeper named Procrustes, who had a bed of a given length. People came to stay at

the inn overnight. If they were too short, he would stretch them out. If they were too long, they were hacked off to fit the bed. It was an inflexible bed; and so the expression Procrustean bed came into being.

There are many such defects connected with the 160 acreage limitation. Hitherto what we have been doing is "stretching the bed," but leaving it in excess where people were shorter, and so forth. Now, I am proposing—

Mr. KUCHEL. The Senator would hack them off.

Mr. DOUGLAS. No; I would not hack the people off. I am proposing to have a flexible system. If the system is expanded for high altitudes, it should be contracted when applied to land such as that in the Central Valley.

So I think the 60-acre proposal I make for the Central Valley is a good one. I hope the Senator from Oregon, who has stood on the floor valiantly fighting for the people this afternoon, will think about it, and we could be joint movers to really establish the family-sized farm in the Central Valley.

Mr. MORSE. I am not too sure 60 acres is not too much.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from California.

Mr. ENGLE. I should like to make a serious comment about the Senator's suggestion that this matter should be settled in court. If we are going to challenge the basic application of the reclamation law, we ought to do it in the legislature that created the law, namely, the Congress of the United States. If Congress encourages, by any action, taking this project, or any part of it, into court, we are not going to build this project for another 10 years. The Senator knows how long it takes to get these cases through the courts.

If there were an administrative ruling, or a ruling by a court of the lowest jurisdiction, that Federal reclamation law applied outside of a Federal service area, I would promptly introduce a bill to change the law and to provide that Federal reclamation law shall apply only to a Federal service area, so that a State could legislate, as it should, with reference to its own responsibilities.

I merely wanted to make my position clear, because the suggestion of getting into court is just about the fastest way I know of to end the prospects of any project.

Mr. MORSE. I merely want to make one comment on that statement. The matter could not possibly be kept out of court, with or without the section in the bill. I do not think the bill will stop preliminaries on the project from going ahead. I am in favor of that. I do not think anything could be put into the bill which would stop litigation on it, nor would I try to do so, if I could. All I am saying—and I stress this to the Senator from California—is that if the intention is to modify the reclamation laws by any such language as is contained in section 6(a), I think the Senate should reject it.

Mr. ENGLE. We do not modify it; we merely restate the law.

Mr. MORSE. I know that is what the Senators from California say, but that is what the argument is all about. If the comments in opposition which have been made are true—and I think there is great merit in the argument that the provision affects the reclamation laws—then the vehicle the Senators are using ought to be rejected, and the two Senators from California ought to be told by the Senate that they should come forward with proposals for revamping the reclamation laws.

I hope the two Senators from California will read very carefully the language I have used in stating the position of the sponsors of the amendment in respect to the effects we intend by our amendment. If they study the language, I think they will be led to agree that they should accept our amendment, unless they want to take the position it is their intention to use this section as a vehicle for modifying the application of the Federal reclamation law.

I should like to close my legal argument with the statement that the legal rights under the Federal reclamation laws are not singular to the people of California. The legal rights under the Federal reclamation laws are, in effect, of great value to the people of every State of the Union. What the two Senators from California, I respectfully submit, are really doing, in view of the serious question before the Senate as to the legal effects of section 6(a), is asking us possibly to endanger the rights of the people of every State under the reclamation laws of this country, because once those laws are changed in respect to this project, then I do not have to tell the Senators from California, as two good lawyers, a precedent will have been set which will result in the laws being changed throughout the country. We are not going to do that in the Senate if we can prevent it.

I am satisfied, from the discussions had by the considerable number of my colleagues in the Senate this afternoon, that there is a strong point of view in the Senate that it should not pass the bill if there is any possibility that it may produce an effect by way of a change in the reclamation laws.

I think we have been very fair with the Senators from California. If it is true that the Senators from California do not intend to change the law, if it is true that all they seek to do by section 6(a) is to state that the Federal reclamation laws shall apply, then I know of no basis on which they should not agree to strike out the section. If the Federal reclamation laws apply, there is no need for section 6(a). If the laws do not apply, it does no good to have that section in the bill. Having the section in greatly confuses the legal picture.

We want to pass a bill which will give the Senators from California the San Luis project. We are for it. We want to give the Senators from California a bill which provides the people of California with the benefits of the joint venture between the State of California and the Federal Government. But we want to make certain that we are passing a bill which does not in any way transgress

the rights of all the people of the United States in existing Federal reclamation law guarantees.

I think that is a fair statement of our position, I will say to the senior Senator from Illinois. On that basis we offer our suggestion that the Senators from California accept our amendment, which we hope they will do on Monday, and then we shall stand shoulder to shoulder with them in the Senate in support of the bill.

There is considerable opposition to the bill in the Senate now, even if section 6(a) is removed from the bill.

I happen to come from the west coast, along with the Senators from California. I am very much concerned about problems which confront us jointly as representatives of western States with respect to the future of the development of our water resources. We have stood together time and time again in connection with great public works for the West, which we so sorely need. I think we ought to try to find an area of accommodation, so that we can continue to stand together, so that California will get the project, but also, so that Senators from States other than California will not be put in the indefensible position in their home States and elsewhere in the country of having let a legislative measure pass the Senate which could be possibly interpreted as one which in fact modifies the reclamation laws.

I do not think we ought to be put in that position. I make the plea that we not be put in such a position. I ask the Senators from California to talk to the leaders of groups in their State over the weekend. I trust they will invite attention to the attitude the Senator from Illinois and the senior Senator from Oregon have taken in the debate, in the hope that on Monday we can agree to strike section 6(a), so that we can quickly close ranks and join in opposition to those who, I think, are going to oppose the project in its entirety.

Mr. President, as I was saying, there have been a number of administrative decisions on this point. One of these was an opinion of the Secretary of Interior to the effect that the 160-acre limitation was permanent. In 1914, we had the famous King instructions which disagreed with the Secretary's interpretation. This opinion has never been recognized by Congress, and it should be emphasized that it is only an administrator's opinion. I call attention to the fact that no time limitation is mentioned in the antimonopoly law and the fact that the framers of the law indicated that they were trying to promote permanent family farms, not just temporary ones.

The King opinion, while relied on by those who were opposed to reclamation law altogether and by others who advocated the lump sum theory, has never really been considered a firm Department of Interior policy. Secretary John Barton Payne did refer to it once in 1920. However, experts in the field tell us it was never actually a part of administrative policy, although 23 years later, in 1943, a legislative analyst of the Bureau of Agricultural Economics re-

viewed the history of the excess lands provision and quoted the King instructions with seeming approval, without examining the basis of King's opinion. The King instructions were mentioned again in August 1945, in a memorandum of the Solicitor of the Department of the Interior. This memorandum merely recited the instructions in a footnote without inquiry. The next year, the Bureau of Reclamation cited the King instructions and added its own proviso, which referred to the limitation as applying before final payment in full was made.

Out of this and other interpretations grew the lump sum theory, actually the original interpretation seemed to refer to land owners who had paid all of their installments and in the manner provided in the repayment contract. I do not believe these early interpretations had in mind a lump sum payment under which a wealthy individual could pay up his own installments and possibly lend money to his neighbor, which would be used to fulfill the obligations of the reclamation contract. It is seen what abuses could develop if such a practice became widespread. Great corporations could underwrite or assume the obligation of the irrigator in some way which would enable the obligation to be satisfied.

The point I want to make is that the lump sum theory, which in my opinion, would defeat the purposes of the Reclamation law has never been sanctioned by Congress. It is merely an administrative opinion shared by a few administrative employees. So far as I know, it has never been seriously defended in the Congress.

The 160-acre limitation logically has developed alongside the preference provision which is also an antimonopoly law which would prevent large corporations from depriving power users of their rights to buy power from Federal projects.

These laws, are fundamental to democracy and merely set forth the principle and outline the method whereby citizens may obtain the greatest possible benefits from their own resources. There has been, of course, as much objection to the antimonopoly preference clause in regard to federally generated power as to the antimonopoly land law. The same groups oppose both of these laws. The same groups have devised many devious interpretations; have written legislation which they have attempted to get the Congress to enact.

When the Southern Pacific Railroad urges the passage of a bill and admits that it has an interest in the reclamation project, which the bill authorizes, you may be sure that the legislation should be scrutinized carefully. The record of this company in opposing reclamation law is clear.

Efforts to destroy the law have been unceasing. The campaign against the 160-acre limitation was in full swing during the 79th Congress.

The big landowners, having failed in their attempt to convince the Department of the Interior that they should be exempt from the 160-acre limitation,

organized a legislative campaign. It was conducted so skillfully that a plan designed to cripple the 160-acre limitation passed the House as a rider to the rivers and harbors bill in 1944. This legislation would have exempted projects in California, Colorado, and Texas.

On the Senate side, the most extensive hearings in the history of the controversy were held. They lasted for more than a month and comprised 1,300 pages of testimony. Testimony was introduced into the hearings deemed to prove that the big landowners did not want or need the water, but that they would get it anyway, if reservoirs and other facilities were built, because of seepage or percolation.

Every argument under the sun was trotted out at this hearing. Some farmers were induced to say they did not want the limitation. Witnesses repeated over and over that the law was unworkable, never had worked, never had been enforced, was to the detriment of everybody, and would lead us down the road straight to communism.

Those in favor of the law, however, carried the day, because they brought facts to the hearing. Officials of the Bureau of Reclamation testified. Commissioner Michael Straus disproved the statements of those seeking to destroy the law. Straus pointed out that farmers all over the West had been signing repayment contracts for years, and had voted overwhelmingly in many elections to go along with the law and subject themselves to its requirements.

Straus also introduced facts into the hearing indicating big landowners had subjected themselves to the law's requirements by getting rid of their excess acreages.

The result of the hearings in 1947 was defeat of the proposal to repeal the 160-acre limitation.

Past administrations have refused to support the lump sum school of thought and while Congress has taken no action against the King instructions, it has never affirmatively approved the lump sum theory.

Secretary of Interior Chapman refused to negotiate a lump sum repayment contract when he was Secretary. Chapman rightfully refused to yield to the demands of the big landowners in the King's River area. This particular project which included Pine Flat Dam has probably aroused more controversy than any other project in the United States. The history of this project proves that big landowners cannot be forced to sign contracts.

Those attempting to set aside reclamation law in regard to this project contend that the regulation should not apply because the Army Engineers built the dam. Although the Army did build the dam, Congress provided, under section 8 of the Flood Control Act that water from the project should be administered under reclamation law.

Unfortunately, the activity of the Army Engineers has been a source of a great deal of trouble involving the project.

The Army engineers insisted from the beginning—and this goes back to the late 1930's—that they should build the proj-

ect, that it should not be administered by the Bureau of Reclamation.

In 1939 President Franklin D. Roosevelt, aware of the interagency conflict over the project, viewed the King's River controversy with such concern, particularly in regard to any precedent that might be set for irrigation and flood control, that he instructed the two agencies to keep their reports confidential. He further instructed all the agencies involved, including the Department of War, Interior, and Agriculture, in cooperation with the National Resources Planning Board, to draw up a memo of agreement, which he assumed would preclude possible conflicts.

These plans might have come along successfully had not the War Department ignored the National Resources Planning Board and sent its report direct to Congress. The Engineers, on their part, sent their report to the White House. The War Department, in effect, was defying its superior officer in sending its report direct to Congress.

The rivalry of these agencies and differences of opinion in regard to reclamation law was the cause of this confusion.

The Army report also turned up in Congress and the Chairman of the NRPB wrote in early 1940 that since the Army report had ignored reclamation law and had already gone to Congress that the report of the Bureau of Reclamation should also go to the Congress.

As a result, Congress received two separate reports from these Federal agencies that were similar in figures in engineering, but far apart on matters of water policy. Thus, a controversy developed with the Corps of Engineers on one side against reclamation laws and the Bureau of Reclamation on the other side for it.

The basic differences in the two reports were the water use philosophies of the two agencies. The Bureau of Reclamation, responsive to reclamation laws and other laws enacted by the Congress, worked on the development of the King's River area as part of a comprehensive plan for the Central Valley Basin with emphasis on water conservation and as wide as possible distribution consistent with the 160-acre limitation. The Corps of Engineers, on this project, rejected this view. The Army engineer overseeing the project told the Central Valley Basin Drainage Committee, "The Army investigations have been only from the standpoint of flood control."

The question arose whether or not the project should be built in accordance with flood control law or reclamation law. Significantly, the differences between these two laws relate to the matter of repayment. With respect to repayment, reclamation laws require the repayment of irrigation costs by water users in periods up to 40 years with the addition of the developmental period not to exceed 10 years, but free from interest. Water users, therefore, must pay project costs allocated to irrigation.

In the King's River reports, the Bureau recommended that water users repay irrigation costs over a period of 40 years without interest. The Corps on the other hand recommended that local

interests contribute a lump sum for irrigation benefits. It is seen that the Army method paid little attention to the reclamation law. It would give large landowners as much water as they needed and that they could pay for. It is important to remember, in discussing many of these projects, that a large part of the project will inevitably be paid for by the general taxpayer, since flood control, navigation and other purposes under the Army Engineers plan would be nonreimbursable. Thus, even though the Army Engineers suggested that irrigators should pay 3½ percent on the part allocated to irrigation, a large part of the project would be subsidized.

The result of the conflicting plans was great concern on Capitol Hill.

Congress finally decided that the Army Engineers should build the project. However, Congress did decide to save the 160-acre limitation by authorizing the Bureau to sell the power and administer the irrigation benefits. In other words, it said that the project should be administered under reclamation law. The big landowners refused to sign contracts in the hope that eventually they would get the water anyway. The same thing in my judgment will happen in the San Luis area. I realize the common practice is not to require signing of contracts until water is available, but it seems to me in these extreme instances, such as King's River and San Luis, where large landowners have consistently refused to sign contracts, that contracts should be signed before construction starts. I don't believe it can be overemphasized that the Southern Pacific has stated that, in effect, it will not sign contracts. Its attitude in this San Luis proposal will probably be the same attitude as that of the big landowners on the King's River project.

It seems to me the Congress should learn something from experience and not go on making the same mistakes over and over again. A child burned once will stay away from the fire, but apparently, the sponsors of this legislation want the Federal Government to be burned by the big landowners again and again and again.

The King's River situation, according to my information, is just as bad today as it ever was. This is not history. This is something that is going on at the present time. For 5 years big landowners in the King's River area are getting water from the Pine Flat Dam without full compliance with the reclamation law.

This bill provides that the 160-acre limitation should not be applicable in so-called State service areas. Nobody seems to know what the State service area is, even though it is mentioned in the bill. Nobody knows the amount of funds which the State government is supposed to put into this project. So far, there has only been talk. The Governor of California says that he is going to ask the legislature to float a bond issue. There have been some statements made that the portion of State funds will be 60 to 40. All this is vague, too.

This legislation should be considered in the light of the record of the Department of the Interior in zealously attempting to carry out our reclamation laws. Secretary of the Interior McKay followed the lump sum theory and prepared to negotiate a contract under which the big landowners would get hold of the King's River area by payment of \$14 million.

I am advised that the Pine Flat Dam cost approximately \$50 million.

This indicates the kind of an agreement that we might get from the Secretary of Interior. Although Secretary Seaton refused to approve the McKay action, he went on to say that he believed in the lump sum theory. In a letter dated July 12, 1957, Secretary Seaton in the next to the last paragraph reaffirms the support of the lump sum theory in this language:

The Department continues to recognize and support the basic concept of reclamation law that full and final payment of the obligation of a district to the Federal Government ends the applicability of the acreage limitations.

Secretary Seaton goes on to say that the issue in the case was whether the contract provided for a release to the individuals rather than a district as a whole. Here is the exact language:

But the overriding issue here is whether this contract which provides for the release of individuals, rather than a district as a whole, should be approved.

Note that the Secretary says the terms of what a contract should be depends on factors in a given case. I am sure that the Secretary of the Interior under this administration, given the wide range of authority to negotiate agreements as set forth in this legislation, will find some way to subvert reclamation laws in regard to the San Luis area.

This \$68 million as set forth in the testimony of Mr. Dominy, Associate Commissioner of Reclamation, who is now Commissioner as of May 1, on page 260 of the House hearings on H.R. 5687, the companion bill, in March 1959, indicates that the \$68 million subsidy to be paid out of power revenues only relates to the initial \$290 million, which is spelled out in this bill. Mr. Dominy said:

The overall San Luis project, without the Avenal Gap, but including the provision for the additional capacity, ultimately, \$68 million of that would be paid from power and about \$216 million of it would be paid from irrigation and about \$5,900,000 from municipal and industrial water.

Mr. Dominy did not indicate what portion of the \$192 million, which he estimated to be the cost of the additional distribution system would be paid for out of power revenues.

According to figures based on recorded ownerships, the Kern County service area of the State water project includes the following acreages: Standard Oil, 112,275.48; other oil companies, 201,964.67; Kern County Land Co., 348,026.46; Tejon Ranch Co., 168,531.07; other private holdings over 1,000 acres each owner, 491,732.06; Government land, 122,692.13; and private holdings

under 1,000 acres each owner—including all city, county, State, and subdivided land—647,164.40; Southern Pacific, 45,141.68.

Assuming that these big landowners can get out from under the 160-acre limitation, it is easily estimated how much subsidy, big landowners might realize.

I am informed that in the Central Valley irrigation adds approximately \$700 in value to each acre. This means that the Southern Pacific Railroad, if it can get hold of this subsidized water could realize a windfall on the 120,000 acres which it owns on the project.

Mr. President, the foregoing constitute some of the reasons why I oppose the portion of the San Luis bill which I believe would irreparably injure the 160-acre limitation—section 6(a).

I endorse and support fully the amendment of the able Senator from Illinois [Mr. DOUGLAS] to strike section 6(a) from this bill. This objectionable section would, in my opinion, impair or nullify an important historic, and I think wise, national policy established and frequently upheld by this Senate to foster family-sized farming in this country and to protect the United States from the perils of corporate agriculture, and further anointing concentrated wealth with taxpayers' money at the expense of the small independent individual farmers whom we seek to assist.

It is also my hope that the sponsors of this authorization will conclude to accept the Douglas amendment.

Stripped of this objectionable language of section 6(a), I would welcome an opportunity to vote for authorization of the San Luis project to advance California and the Nation's destiny. Basically, it represents the type of endeavor I have long advocated in my State and elsewhere, in which I believe this Senate should recognize our positive responsibilities to aid, assist, and secure the full potentials we need in developing our natural resources. That we can do without quibbling or dodging or overlooking our clear duties.

So I hope this amendment striking section 6 (a) will be accepted by the sponsors without the necessity of asking a roll call thereon. Thereby many of us would be enabled to congratulate California on reaching some semblance of resolution of some of its internal disputes that have long arrested full development of these lands.

More positively, we can assist her by voting this authorization now at long last in the public interest. We have before us a matter of important national policy reflected somewhat obscurely in this section 6(a) to which I object. I cannot accept the explanation that it is unimportant or without design. Language stating as this does, "The provisions of the Federal reclamation laws shall not be applicable * * *" we know does not appear in this bill by accident. There is a purpose, and the purpose here is to strike down and kill off a major all-American philosophy we have hammered out and upheld time after time in this Senate and which is fundamental economically, sociologically, and politically to our philosophy. The Senator

from Illinois has put our problem in historical context for us and I need not repeat, but I will have no part in incorporating this nullification of national policy in our statute books.

Thirty-four of us happen to come from and represent 17 western reclamation States. Speaking only for Oregon, I can tell Senators my constituents believe in, abide by, and support the reclamation laws they helped to secure over the years, including this family-sized farm keystone.

Frankly, I would be amazed if the constituents in other reclamation States did not feel the same way about this keystone of reclamation law. I do not see how it could be in existence if they did not. After all, the reclamation States wrote the reclamation law and presented it in this Senate over the years.

The reason I feel so strongly about this section 6(a) is that I know if it survives, it will not be confined to California as in this bill.

In the west there exists a sort of tomtom telegraph system. In water matters there has long been a type of "most favored nation" approach and Federal law applicable to one state is immediately sought in the others. So I'm not against the policy of section 6(a) just in California. I know that if we condone this exception there, it will next pop up in Oregon and elsewhere in the west.

That is only natural. After all, at least half a million and perhaps a million acres would be exempted from acreage restriction in California in this bill. How could we stop the same exemption in other States?

I know I would be confronted with the problem in Oregon. And even if I feel sure how my people feel about it I do not want to have to fight the same battle over and over again in each individual State.

This is a true question of national policy that we cannot, and should not dodge by playing ostrich. Let us settle it here today.

A matter of great significance, that goes far beyond partisan boundaries, is hidden in section 6(a).

The judicial division of this Government recently upheld, in the Supreme Court decision in the *Ivanhoe* case, the family-sized farm principle. It was a unanimous decision growing out of a different theory of escaping acreage restriction arising in this same area of California. In fact the *Ivanhoe* decision came down just before section 6(a) popped into this bill and it, therefore, represents, to a considerable extent, an endeavor to legislatively reverse the Supreme Court. I do not believe that is good government.

The Honorable Fred Seaton, our Secretary of Interior and a former Senator, recently spoke out on the acreage law. Again, it was on a matter arising from this area in California. It had to do with a contract, clearly in his jurisdiction, in which it was proposed that some big landowners buy their way out from under the 160-acre laws by so-called lump-sum payments. They felt this would get them priceless water for any

amount of land by an elaborate legalistic rationalization.

But Secretary Seaton rejected that escape theory on high moral grounds. Seaton in effect said that he could never be a party to whittling away this basic and fundamental policy.

Secretary Seaton is the Republican spokesman in these matters and I'm definitely not criticizing him.

But if he would have no part of "whittling away" acreage restrictions in that little obscure contract what would he think of section 6(a) in this bill? Here is no whittling away operation. Here it is proposed to do it wholesale with a buzz saw.

Let us be mericful and not confront Secretary Seaton with an issue where, if he is consistent and true to his public proclamation, he would have to recommend that this bill, should it contain section 6(a), must be vetoed. Let us save him such embarrassment and take care of section 6(a) right here and now—preferably by the sponsors accepting the amendment of the Senator from Illinois.

That is the easiest and simplest way to perform our duty.

In closing my speech, Mr. President, in support of the Douglas amendment, I desire to read a very fine statement in opposition to section 6(a), written by Angus McDonald, coordinator of the division of legislative services of the National Farmers' Union.

Mr. President, earlier in my speech I read the statements of the so-called little people of America, the dirt farmers of America who attended the early irrigation congresses and inaugurated the great history which has been built around our reclamation laws. We have those little people today, Mr. President, and I use the word "little" as a great commendation of men such as Angus McDonald. He is an ardent conservationist. He has been a dirt farmer for many, many years. He has a feel for and an understanding of the importance of preserving the family-sized farm in America.

As the Coordinator of the Division of Legislative Services of the National Farmers' Union, Mr. McDonald has written a very sound, and I think unanswerable, argument in support of the position which the Senator from Illinois [Mr. DOUGLAS] and I have taken throughout this debate. I ask unanimous consent that it be incorporated in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS UNION,
Washington, D.C., May 4, 1959.

HON. WAYNE MORSE,
U.S. Senator, Washington, D.C.

DEAR SENATOR MORSE: I am writing you in regard to S. 44, a bill which authorizes Federal development of the San Luis project in the Central Valley of California. Unfortunately when this legislation was the subject of hearings, held by the Senate Interior and Insular Affairs Committee, I was out of town attending the annual convention of the National Farmers Union and was unable to appear in opposition at the hearing. The hearings, I believe, were called rather suddenly. At any rate the Farmers Union, which has been interested for many years in the antimonopoly provision of the

reclamation law, commonly known as the 160-acre provision, had no notice of the hearing. Therefore, we consider it extremely unfortunate that this legislation has progressed to the point where it will be taken up in the Senate tomorrow.

This legislation, it appears, would destroy the 160-acre limitation in two important respects: It would flatly repeal the limitation insofar as the so-called State service area, or areas, is concerned in section 6, and it would give a veto power to the State of California in regard to the administration of the Federal project. It would also open wide the door to a deal between the large landowners and the Secretary.

Section 6 would repeal the Warren Act (title 43, U.S.C. 523 and 524) which provides in section 523 that water on a Federal project "in excess of the requirements of the lands to be irrigated in any project" be subject to reclamation law. It is apparent that section 6 is aimed at this provision.

It is proposed, under the bill to provide 1 million acre-feet in the Federal part of the project and about 1 million acre-feet in the State part of the project as outlined in the Report of the Department of Interior.

Section 6 also repeals that part of the Warren Act (sec. 524) which states that water carried through Federal reservoirs, canals, or ditches, must be subject to the 160-acre limitation. Water to fill the reservoir will be carried through the Federal Delta Mendota Canal.

I am aware that proponents of the legislation insist that 500,000 acres in the Federal project will be subject to reclamation law. Surely they must know that the Southern Pacific Railroad representatives at the House hearing stated that the company would not sell its land (copy of this testimony is attached), and surely proponents of the bill know that the Southern Pacific Railroad cannot be forced to sell its land.

It is obvious what will happen to the holdings of the Southern Pacific and the other large landowners. They will be allowed to enter into a lump-sum agreement with the Secretary of the Interior. I was assured only a few days ago by a Department of Interior official that a lump-sum agreement with the Southern Pacific and other large landowners, if they organized themselves into a district, would not be inconsistent with the Department of Interior policy.

The policy of the Department of Interior in regard to the 160-acre limitation is well known. Secretary of Interior McKay negotiated a deal with the large landowners of the King River area, under which they were to pay \$14 million for water rights which I believe cost about \$50 million. This deal by McKay caused such public indignation that Secretary of Interior Seaton refused to approve it. However, Mr. Seaton is just as ardent a supporter of the lump-sum theory as his predecessor. He believes that main consideration is to satisfy the irrigator's obligation to the Government.

We in the Farmers Union do not believe that the purpose of the Reclamation Law was to provide cheap irrigation water for big landowners. Yet this is precisely what is going to happen, if this legislation is approved by the Congress.

Not only will the big landowners be able to make some kind of a deal with the Department of Interior and the State of California, but the Federal Government, under the bill, stands a good chance to lose control of the Central Valley project.

I call your attention to line 3, page 2 of S. 44, which refers to the San Luis unit as an integral part of the Central Valley project. The language makes the San Luis unit an adjunct of the existing Central Valley project and as the language says "an integral part of the Central Valley project."

On lines 9 and 10 of the same page, the works of the San Luis unit "hereinafter re-

ferred to as joint-use facilities" are made synonymous with joint use, and I presume with the Central Valley project. Then on line 19, page 2, the bill says that other joint use facilities may be constructed so as to permit future expansion. This language can conceivably apply to the Central Valley project.

On page 3, lines 4 to 8, the Secretary of the Interior cannot even begin construction of the project unless he has subjected himself to the veto power of the State of California. Read this language carefully. It says, "Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act."

Under the conditions of this act, the Secretary might allow the Southern Pacific to pay off in a lump sum. In any event, the State could certainly block the project if it waited until it got the kind of a "satisfactory assurance of his ability to secure, all rights to the use of the water."

I call your attention to the language on page 4, lines 6 through 22. This language again gives the State of California the veto. The Secretary of Interior, if he cannot work out an agreement with the State, can let the project die, or he may proceed to construct the project but must report to Congress within a 90-day period.

Lines 15 to 18 on the same page gives the State of California a first mortgage on the Federal Government's structures to use them in any way it proposes "to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity."

On lines 15 and 17, the bill says it shall have irrevocable and perpetual rights. The words "irrevocable" and "perpetual" have no place in this legislation. Congress cannot give an irrevocable right and tie the hands of future Congresses. This portion of the bill violates article I of the Constitution of the United States.

The paragraph adds, almost as an afterthought, a sentence that says that the State if it has taken over Federal structures should not interfere unduly with the operation of the project as set forth in section 1. What does unduly mean? I would be glad for one of the sponsors of the bill to define and give me a legal interpretation of the term. The paragraph ends on a rather plaintive note to the effect that these rights may be relinquished by the State at any time. In other words, if the State of California wants to be honest the Federal Government has no objection.

I call your attention to the language in section 3 on page 6. Under (a) it is provided, in effect, that the Federal Government must move over and accommodate State purposes and water plans no matter what inconvenience or subversion of Federal laws results.

If the 160-acre limitation suffers as a result of this accommodation, that is not considered important. The main purpose is to please and accommodate the State.

In section (b), the State is supposed to make available to the Secretary an equitable share of the construction costs. Again, I ask what does the word "equitable" mean—10 percent, 30 percent, 50 percent?

On page 7 under (c) of section 3, the State can modify, change or do anything under the sun that it wishes in regard to the San Luis Dam and reservoir and other facilities, provided it does not interfere unduly with the operation of the San Luis unit as set forth in section 1. Again I ask what does unduly mean?

Under section (d) the State will pay again an equitable share of the operation, main-

tenance and replacement costs. Again, I ask will it be 10 percent or 50 percent?

The language under (f) on page 8, lines 4 to 8 allows any kind of an agreement in regard to division of water. California might get 90 percent and the Federal Government might get 10 percent.

Lines 12 to 16, page 8 wraps up the deal by saying that the State shall not be restricted in its allocated right to the water from the San Luis project which is used outside the San Luis service area.

Under (g), page 8, lines 17-22, the Secretary may abandon his powers of running the Central Valley project under conditions agreed upon by the Secretary and the State.

In other words, this legislation prepares us in advance for the Department of Interior and the Federal Government to get out of the San Luis unit altogether, if indeed it doesn't get completely out of the Central Valley.

Under (h), page 8, lines 23-25, and lines 1 to 11 on page 9, the rights of those enjoying deals worked out by means of lump-sum agreements and other deals are protected. I wonder why after the words "subject to the 160-acre limitation", were not inserted on page 9, line 5, after the word "rights."

Under (i), page 9, it is provided that the State government, if it wishes, shall buy out of the provision which protects the preservation and propagation of fish and wildlife. The section plainly states that when this part of the cost becomes a reimbursable cost that the State does not have to pay any attention to fish and wildlife preservation and propagation.

I call your attention to lines 2 and 3 on page 10. What does "generally" mean and why does the Secretary have to pay attention to the reclamation laws only in regard to repayments? Why not to the 160-acre limitation? Does this provision pave the way for a lump-sum deal?

Section 6 should be read in the light of section I, which makes the San Luis unit a part of the Central Valley. I fear that any area adjacent to the Central Valley project may become a State service area.

The preview of the California State Water Plan, State Water Resources Board, March 1956, page 36, says that the plan would permit "the presently irrigated agricultural area of about 7,300,000 acres to expand to more than 19 million acres." Does most of this come under section 6?

I call your attention to lines 22-26, page 11, which according to Commissioner of Reclamation Dominy (see attached testimony before the House committee on this legislation, March 1959) appropriates an additional \$192 million. This makes a total of \$482,430,000 which this bill authorizes.

For your information, I am attaching the following material:

1. Suggested amendments.
2. Factual summary.
3. Copy of Warren Act.
4. Copy of testimony of the attorney for the Southern Pacific and Commissioner Dominy on this bill before the House Interior Committee.

I will appreciate it if you will call the attention of the Senate to the facts and the questions raised in this letter and material.

Sincerely,

ANGUS McDONALD,
Coordinator, Division of
Legislative Services.

SUGGESTED AMENDMENTS FOR S. 44

I. On page 3, line 2, insert period after "supplementary thereto)" and strike the words "except so far as the provisions thereof are inconsistent with this Act."

II. On page 3, line 8 strike the "and" after "this Act."

III. On page 3, line 22 strike the period after "1956" and add "and (3) secured re-

cordable contracts from all excess landowners owning 1,000 acres or more in the Federal service area."

IV. On page 8, line 16, strike the ";" and add "except that all waters passing through facilities in which the Federal Government has invested Federal funds should be subject to Federal reclamation laws;"

V. On page 8, line 22, strike the ";" and add "except that no conditions shall be agreed upon which are contrary to Federal reclamation laws, the previous paragraph or the provision requiring pre-recordable contracts from owners of over 1,000 acres."

VI. On page 10, line 22, strike all of section 6.

H.R. 5687 AND S. 44—SAN LUIS

The existing language of H.R. 5687 as before the committee opens the way for all sorts of weaseling and legal maneuvering by the large landowners who dominate both the State and Federal service areas.

In the Federal service area, for example, some 12 percent of the owners hold title to over 75 percent of the land. One corporation admits to owning some 120,000 acres checker-boarded throughout the area in such a manner as to make the project of doubtful physical and financial feasibility without the inclusion of these lands. Spokesmen for this firm have indicated they do not wish to abide by Federal reclamation law. The lands owned by Southern Pacific are farmed under lease to other large landowners in the area. These persons have a vested interest in Southern Pacific holding title to these lands. Many of these individuals and firms—Boswell, O'Neill, Clayton-Anderson, for example—also hold land in an adjacent and existing Federal project area called the Pine Flat service area. This project has been in operation for the past 5 years and the excess landowners have been receiving irrigation benefits without compliance with the excess land law. For these reasons, special precautions must be taken to insure strict enforcement of Federal reclamation law in the Federal service area.

The other problem on San Luis is in the State service area. The bill's proponents say the Federal reclamation laws cannot apply to waters which eventually will be delivered to so-called State service areas, but if the Federal Government has funds invested in reservoir and canals which carry these waters shouldn't the law apply no matter where the waters are delivered? It is claimed that the State is putting up its appropriate share of the joint use San Luis facilities. This is required in the present legislation. Proponents say the State will be building on its own with State funds, those State facilities outside the joint-use area. This is not entirely true for the State is seeking, or will be seeking, from the Federal Government funds for nonreimbursable costs of its projects. This certainly should raise serious questions of ethics as well as legality.

We have suggested basing requiring the preconstruction contracts from the owners of over 1,000 acres each because there are only 66 such owners in the Federal service area and they own about 330,000 of the project's 470,000 area. Compliance from these holdings would insure the feasibility of the project and compliance from the smaller holders.

Caution: To say that the water districts will force compliance with the excess land law is a false hope. Under California law, in the water districts which will distribute the San Luis water in the Federal service area, each registered voter has one vote for every dollar's worth of property.

TITLE 43, UNITED STATES CODE—SALE OR LEASE OF SURPLUS WATERS, WATER POWER, STORAGE CAPACITY, AND WATER TRANSPORTATION FACILITIES

SEC. 523. Storage and transportation of water for irrigation districts, etc.: Whenever in carrying out the provisions of the reclamation law, storage or carrying capacity has been or may be provided in excess of the requirements of the lands to be irrigated under any project, the Secretary of the Interior, preserving a first right to lands and entrymen under the project, is authorized, upon such terms as he may determine to be just and equitable, to contract for the impounding, storage, and carriage of water to an extent not exceeding such excess capacity with irrigation systems operating under section 641 of this title, and individuals, corporations, associations, and irrigation districts organized for or engaged in furnishing or in distributing water for irrigation. Water so impounded, stored, or carried under any such contract shall be for the purpose of distribution to individual water users by the party with whom the contract is made: *Provided, however,* That water so impounded, stored, or carried shall not be used otherwise than as prescribed by law as to lands held in private ownership within Government reclamation projects. In fixing the charges under any such contract for impounding, storing, or carrying water for any irrigation system, corporation, association, district, or individual, as herein provided, the Secretary shall take into consideration the cost of construction and maintenance of the reservoir by which such water is to be impounded or stored and the canal by which it is to be carried, and such charges shall be just and equitable as to water users under the Government project. No irrigation system, district association, corporation, or individual so contracting shall make any charge for the storage, carriage, or delivery of such water in excess of the charge paid to the United States except to such extent as may be reasonably necessary to cover cost of carriage and delivery of such water through their works. (Feb. 21, 1911, ch. 141, sec. 1, 36 Stat. 925.)

SEC. 524. Cooperation with irrigation districts, etc., in construction of reservoirs and canals: In carrying out the provisions of the reclamation law, the Secretary of the Interior is authorized, upon such terms as may be agreed upon, to cooperate with irrigation districts, water-users' associations, corporations, entrymen, or water users for the construction or use of such reservoirs, canals, or ditches as may be advantageously used by the Government and irrigation districts, water-users' associations, corporations, entrymen, or water users for impounding, delivering, and carrying water for irrigation purposes: *Provided,* That the title to and management of the works so constructed shall be subject to the provisions of section 498 of this title: *Provided further,* That water shall not be furnished from any such reservoir or delivered through any such canal or ditch to any one landowner in excess of an amount sufficient to irrigate 160 acres: *Provided,* That nothing contained in this section or section 523 of this title shall be held or construed as enlarging or attempting to enlarge the right of the United States, under existing law, to control the waters of any stream in any State. (Feb. 21, 1911, ch. 141, section 2, 36 Stat. 926.)

EXCERPTS FROM HOUSE HEARINGS ON H.R. 5687, MARCH 1959

Mr. ASPINALL. Mr. Van Loben Sels, is the area in which your company is interested a part of the area which will be developed by

the Federal Government, or the part to be developed by the State Department, provided it is a joint venture project?

Mr. VAN LOBEN SELS. The majority of it is within the Federal area. We also own lands elsewhere which might come under State development.

Mr. ASPINALL. The next question has to do with the question of my friend from Florida, Mr. Haley. It was whether or not you would make that area available to the 160-acre limitation provisions of the reclamation law, or whether or not you thought that would not be a part of the project.

Mr. VAN LOBEN SELS. Mr. ASPINALL, Southern Pacific Co. wrote a letter last year to Senator ANDERSON's committee which stated our position in the matter. It appears in the hearings on S. 1887:

"Very briefly, that letter stated that our lands are not on the market. They are not for sale. We do not wish to sell our agricultural properties or our timber properties or our grazing properties any more than we wish to sell our main line railroad" (p. 220).

Mr. ULLMAN. Just a short question, Mr. Chairman. Mr. Van Loben Sels, how much land do you have that would come under the proposed Federal project?

Mr. VAN LOBEN SELS. The figure we have quoted is 120,000 acres. There has been some deletion from that, because the Federal Government recently condemned some for a naval air station. That is in the courts now.

Mr. ULLMAN. How is this land being utilized today? Do you have a breakdown of that, of the land use today?

Mr. VAN LOBEN SELS. It is all under agricultural lease. It is all under irrigation, but not all of it is irrigated every year. It is being farmed under lease to actual operators in the property, to crops that are typical of that area, which I think were mentioned previously. But they include grains, cotton, melons, various seed, grass seed and Alfalfa seed crops, a few more of the specialized crops, like potatoes and carrots, and other vegetables.

Mr. ULLMAN. It is all relatively flat land, and all under cultivation; is that right?

Mr. VAN LOBEN SELS. It is all under cultivation. A lot of it has been leveled and brought to grade for surface irrigation. Some of it is sprinkler irrigated, and it is more of a rolling type, Mr. Ullman; we acquired this land during the 1860's, 1870's, and 1880's.

Mr. ULLMAN. In what manner?

Mr. VAN LOBEN SELS. They were acquired through an act of Congress as part of the consideration for building the western railroads (p. 222).

Mr. DOMINY. The overall San Luis project, without the Avenal Gap, but including the provision for the additional capacity, ultimately, \$68 million of that would be paid from power and about \$216 million of it would be paid from irrigation and about \$5,900,000 from municipal and industrial water (p. 260).

Mr. DOMINY. I understand the authorization of the distribution systems is provided for in this bill—

Mr. ULLMAN. It is provided in here?

Mr. DOMINY. Yes.

Mr. ULLMAN. But the \$290 million does not include that?

Mr. DOMINY. That is right.

Mr. ULLMAN. In other words, we are going to have additional authorizing legislation for this money; are we not?

Mr. MORRIS. Will the gentleman yield?

Mr. ULLMAN. Yes.

Mr. MORRIS. I understand you to say, Mr. Dominy, the distribution was not included in here.

Mr. DOMINY. It is not included in the \$290 million cost, Mr. Morris.

Mr. MORRIS. Is it authorized by inference from this feasibility report?

Mr. DOMINY. Yes. This bill would authorize the construction of the San Luis project and the necessary distribution systems. It is in section 7. "There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests." That is covered in section 7 of the bill.

Mr. MORRIS. Which bill, 301?

Mr. DOMINY. In 301, section 6, but it is in H.R. 5687 in section 7.

Mr. ULLMAN. The language of the bill is sufficient to authorize this expenditure and all we need is appropriation? This is a matter of committee policy that is rather involved; it will leave some questions in my mind which I would not raise here. I thank the witness.

Mr. DOMINY. So the committee will understand what might be contemplated here. We have an estimate now for distribution system and drainage to serve this San Luis area of about \$192 million (pp. 270 and 271).

Mr. ROGERS. Section 7 of this bill is actually a carte blanche authority for appropriation of money, is it not, even though the amount \$290 million used actually is not confined to that expenditure, it is an open-ended provision in section 7 (p. 275).

Mr. MORSE. Mr. President, I close my remarks for this afternoon by first expressing my very deep appreciation to my leader in this debate, the Senator from Illinois [Mr. DOUGLAS] for the magnificent job he has done in setting forth the basic issues which have been involved throughout the debate. It is always a pleasure to join forces with the Senator from Illinois in the Senate on any issue which involves what we mutually consider to be the protection of the general welfare of the people of this country.

I also wish to pay my respects to my two opponents in this debate, the senior Senator and the junior Senator from California. We are together on most issues, and we are not far apart on this one.

I have been in the position of the two Senators from California more than once. I have been in a position where groups in my State have come to the conclusion that it is absolutely essential a certain provision be contained in a bill, because they are looking at the matter from a provincial and highly localized point of view. It is easy under such circumstances for local groups to forget the responsibilities of their Senators to approach these problems from a national point of view.

I wish to say to the people of California, I do not know how they could have obtained two men who could have presented more ably and valiantly what I consider to be the highly localized and provincial point of view on this issue than the two present Senators from California.

I mean it when I express to the Senators from California my sincere thanks for their fairness in this debate and the cooperative spirit which they have extended to the Senator from Illinois and to me.

I am sorry it is taking us so long to convince the Senators from California how right we are, but I hope that over

the weekend as they read the debate, each will say, "Well, I have to admit those two fellows are right about this, and I had better tell the people back home that they are. I am going onto the floor Monday and accept the proposal to strike section 6(a)."

I shall await that moment. I wish for both Senators from California a most happy and relaxing weekend after this very strenuous debate.

I will see them Monday. Good night.

THE BANK MERGER BILL

During the delivery of Mr. MORSE'S speech,

Mr. ROBERTSON. Mr. President, it is with genuine regret that I inject a new subject into the debate, but it is rather necessary for me to do so in defense of the Banking and Currency Committee. That committee was expected to bring up a bank merger bill which was unanimously reported, although four Members said they would watch how it was administered, and if it was not administered satisfactorily, they would urge a stronger bill.

Yesterday the chairman of the committee sent to the Attorney General a telegram expressing surprise at rumors that, without any notice to the chairman or to the committee, and without any opportunity for hearings, the Attorney General was preparing an amendment to the bank merger bill. The Attorney General has answered that telegram, and, I am informed, he has given his answer to the press.

Mr. MORSE. Mr. President, will the Senator from Virginia yield to me long enough to get an understanding that the statement of the Senator from Virginia will follow statements on the pending measure?

Mr. ROBERTSON. That is correct. I should be glad to have that done.

The Senator from Virginia merely wanted to get the statement into the Record today, because the banking bill will go over until next week, and many bankers will not understand why it was not brought up. Moreover, when they read the telegram of the Attorney General they will not know what has been going on in the Banking and Currency Committee, because his telegram does not give any indication of the careful and constructive attention which the committee gave to the bill, or of the reasons which led the committee to reach what I think is a sound and workable compromise.

I appreciate the courtesy of the Senator from Oregon in letting me make this statement at this time, and I agree that it would be desirable to have it appear in the Record following his speech.

Mr. President, as the majority leader had previously announced, S. 1062, the bank merger bill, was scheduled to be considered by the Senate today, after having been postponed from Tuesday.

The bill has been on the calendar since April 17. Prior to that, the committee had voted to report the bill on April 9, and the delay in reporting it was to afford the opportunity for the

filing of supplemental views by the Senator from Illinois [Mr. DOUGLAS] and others.

The majority leader advised me today that the Senator from Wyoming [Mr. O'MAHONEY] asked that the bill be put over until Monday to afford him the opportunity to present an amendment. I objected to this procedure because some of the members of the Committee on Banking and Currency who are interested in this legislation will not be present Monday.

I have had an opportunity to examine briefly the amendment intended to be proposed by the Senator from Wyoming, and I wish to comment upon it. Before doing so, I ask unanimous consent that the text of the amendment be printed in the Record at this point.

There being no objection, the amendment intended to be proposed by Mr. O'MAHONEY was ordered to be printed in the Record, as follows:

On page 2 strike out lines 11-25 beginning with the words "In the case of a merger" at line 11; on page 3 strike out lines 1-9. In lieu of the matter stricken out insert the following:

"The Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall not grant consent under this section to any merger, consolidation, acquisition of assets, or assumption of liabilities, where in any section of the country the effect thereof may be substantially to lessen competition, or to tend to create a monopoly. This provision shall not, however, be deemed to prohibit a merger, consolidation, acquisition of assets, or assumption of liabilities where the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, finds that there is a reasonable probability of the ultimate failure of the bank to be acquired; that because of inadequate or incompetent management the acquired bank's future prospects are unfavorable and can be corrected only by a merger or consolidation with the acquiring bank; that the acquired bank is a problem bank with inadequate capital or unsound assets and its acquisition by another bank would be the only practical means of dealing with the problem; or that several banks in a small town are compelled by an over-banked situation to resort to unsound competitive practices which may eventually have an adverse effect upon the condition of such banks and the merger of the two or more banks would, therefore, be in the public interest. In the interests of uniform standards, the appropriate agency shall not take action as to any such transaction without first seeking the views of each of the other two banking agencies referred to herein with respect to such question. In the case of a merger, consolidation, acquisition of assets, or assumption of liabilities, the appropriate agency shall request a report from the Attorney General on the competitive factors involved in the merger. The Attorney General shall furnish such report to such agency within 30 calendar days of the request: *Provided, however,* That in case the agency finds an emergency exists the agency may advise the Attorney General thereof and may thereupon shorten the period for the Attorney General to report to 10 calendar days: *And provided further,* That where the agency finds that an emergency makes necessary immediate action in order to prevent the probable failure of one of the merging banks, the appropriate agency may act without obtaining such report from the Attorney General.

May 11, 1959

"Special studies should be undertaken by the Treasury Department to determine to what extent large timberland holding firms are benefited by present Federal income tax laws in outbidding smaller concerns for publicly owned timber. ***

"In framing new legislation on Federal gasoline taxes, study should be given to the possibility of exempting from taxes that portion of gasoline used on private logging roads constructed without Federal assistance. ***

"Forestry research by the U. S. Department of Agriculture should give much greater emphasis on problems of small loggers and sawmill operations and on methods of marketing forest products than heretofore has been given.*

"In order to maintain incomes in small forest communities and to encourage good forestry on private lands, your committee strongly urges that every effort be made by the wood-using industries to continue purchasing some pulpwood and other forest products from large numbers of part-time farmers, individual forest owners, and others who depend on forest products for a portion of their income. Likewise, your committee suggests that the wood-using industries encourage forestry practices on private holdings by assuring a market and providing inducements to forest owners who are managing their lands in accordance with proper forest-management techniques. ***

"The Forest Service is urged to undertake a study to determine what types of forestry measures could be included in a national forestry improvement program, the extent of the cost, and how local logging operators might participate. ***

"A special study of forest-product freight rates by the Interstate Commerce Commission and the U. S. Forest Service should be undertaken to determine if inequities exist between short-haul and long-haul rates. ***

"The General Services Administration and the Department of Defense purchasing agencies are urged to modify their lumber specifications so that different species of comparable technical quality are acceptable for similar uses."

3. WHEAT. Passed without amendment S. J. Res. 94, to direct the Secretary to defer the proclamation of marketing quotas and acreage allotments for the 1960 wheat crop until June 1, 1959. pp. 7044-5

4. NOMINATIONS. Confirmed the nomination of Frank A. Barrett to be USDA General Counsel and a member of the CCC Board of Directors, and the nominations of Glen R. Harris and J. Pittman Stone to be members of the Federal Farm Credit Board. pp. 6975, 6976, 7082

5. RECLAMATION. Continued debate on S. 44, to authorize Interior to construct the San Luis unit of the Central Valley project, Calif. pp. 7051-76, 7077-80

Both Houses received from Interior a report that an adequate soil survey and land classification has been made of the lands in the Teapot Dome Water District, Calif., and the land to be irrigated are susceptible to the production of agricultural crops. pp. 6976, 7137

6. WATER RESOURCES. The Public Works Committee reported without amendment S. 300, to provide for the appointment of a study commission of separate representatives for the Guadalupe and San Antonio River Basins (S. Rept. 276). p. 6979

7. ROADS. The Public Works Committee reported without amendment H. R. 4695, to increase from 5 to 7 years the period in which actual construction shall commence on highway rights-of-way acquired in anticipation of such construction (S. Rept. 281). p. 6979

8. FARM PROGRAM. Sen. Humphrey inserted comments by the Canadian Minister of Agriculture relative to stabilization payments to hog producers, and stated that "It is heartening to read the comments of the Canadian Minister of Agriculture affirming that he does not intend to allow the income protection program to finance or to assist further vertical integration of hog production by non-farmers." p. 7036
Sen. Langer inserted a GTA Daily Radio Roundup broadcast discussing the prospects for the enactment of wheat legislation this year. pp. 7042-3
Sen. Langer inserted a letter he received from a constituent favoring an "acreage cut and an increase in price supports rather than a free market." pp. 7043-4
9. RESEARCH. Sen. Langer inserted a letter he received from the dean and director of the Agricultural Experiment Station, Fargo, N. Dak., opposing the enactment of S. 690, to provide for expanded research on the industrial utilization of agricultural commodities. p. 7044
10. BUDGETING; EXPENDITURE. Sen. Saltonstall inserted an address by Percival Brundage, "Federal Fiscal Responsibility," in which he stated "Secretary Benson has fought gallantly year after year for more flexible price supports and lower fixed minimum payments." pp. 7023-5
11. EMPLOYMENT. Sen. Bridges expressed pleasure over the favorable employment situation, and inserted several articles discussing the situation, including tables showing employment by major types of activity. pp. 6986-99
12. ATOMIC RADIATION. Sen. Hill announced that hearings will begin Thurs., May 14, on S. 1628, to vest primary responsibility for the protection of the public health and safety from radiation hazards in the U. S. Public Health Service and in public health agencies of the States and local communities. p. 6985
13. POSTAL SERVICE. Both Houses received from the Post Office Department a report on the number of articles bearing penalty indicia procured or accounted for by the various departments for the fiscal year 1958. pp. 6976, 7137
Received from the Post Office Department a proposed bill "to adjust postal rates of certain first-class mail and airmail"; to Post Office and Civil Service Committee. p. 6976
14. PROPERTY; TAXATION. Received a Calif. Legislature resolution favoring the enactment of S. 910, to create a Federal Commission on payments in lieu of taxes. p. 6977
15. ELECTRIFICATION; WATER. Received resolutions from the Central Power Electric Cooperative, Inc., favoring an investigation of the "water and power problems of the United States," and favoring enactment of H. R. 3142, to require private owners of electric transmission facilities used in or affecting the transmission of electric energy in interstate commerce to permit the use of the excess capacity in such facilities for the transmission of electric energy by other persons. p. 6978
Sen. Gruening inserted an article, "Big Hydro Project Looms for Alaska." pp. 7035-6
16. TRANSPORTATION. Received an Ore. Legislature resolution favoring increased Federal aid in the construction and utilization of rail cars. p. 6977

freedom for the spiritual development and enrichment of its union with the United States, for its own benefit and for the benefit of the United States and of the creative flexibility of political thought throughout the world. Under the principle of no taxation without representation, the contributions that within the two stages already pointed out Puerto Rico may gradually come to make to share the expenses of the Federal Union, ought of course to answer in due time to a formula providing for action by the Legislature of Puerto Rico on behalf of the electorate, or directly by the electorate on its own behalf.

It goes without saying that the day when Puerto Rico may be able to make substantial contributions is still at a distance of many years, of several generations. However, I believe it necessary to bring this fact into special prominence at this time for two reasons:

(1) To make clear that the maximum development of the Commonwealth is not in the direction of independence, nor of federated statehood.

(2) To make it likewise clear that the fundamental insight embodied in the Commonwealth idea is based upon permanent values of freedom and self-government, and not upon financial values that, although long-lasting in character, are nevertheless transitory.

THE FULBRIGHT AMENDMENTS TO THE MUTUAL SECURITY ACT— LETTER FROM VICTOR REUTHER

Mr. FULBRIGHT. Mr. President, I have been gratified by the many expressions of support which I have received regarding some amendments which I have submitted to the Mutual Security Act.

A letter from a large labor union places the issue of foreign aid in proper perspective, to my mind, in relation to our domestic policies and programs.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD a letter which I have received from Mr. Victor Reuther, representing the Auto Workers Union.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL UNION, UNITED
AUTOMOBILE, AIRCRAFT, AND AGRICULTURAL
IMPLEMENT WORKERS,
OF AMERICA, UAW,
Washington, D.C., April 30, 1959.

Senator J. W. FULBRIGHT,
Chairman, Senate Foreign Relations Committee,
Washington, D.C.

DEAR SENATOR FULBRIGHT: Before Walter left for Berlin this week, I had the opportunity to review with him the general international situation and in connection with this, I called to his attention your action proposing a substantial increase in the international economic cooperation program, not on a hand-to-mouth or year-to-year basis, as a stepchild of military aid and assistance, but rather as an independent long-range investment in sharing the abundance resulting from automation and technological progress in this atomic age. Walter asked me to convey to you his congratulations for this positive initiative on your part.

It is most encouraging to see that you have acted so promptly and courageously on the recommendations made to the Senate Foreign Relations Committee by various task forces. We are pleased that you and your cosponsors, Senators HUMPHREY and KENNEDY, concur in the nature, magnitude, and duration of the basic recommendations made in those reports.

Ever since the winter of 1948 when the trade unions of the United States recommended larger commitments to implement the Marshall Plan, it has been our firm conviction that international economic cooperation is essential for closing the ever-widening gap between the industrially developed and the underdeveloped areas of the world. Herein lies the road to victory for free men in the contest that Communist imperialism is forcing upon the peoples of the world.

Our union has long been committed to the proposition that the United States should lead the way in this field by dedicating up to 2 percent of our gross national product for a positive peace offensive. We believe we can meet our domestic and international obligations only by balancing both our human and material budgets at full production and full employment levels and for as long as it may take to win. Tax loopholes can be closed and, if necessary, tax rates can be increased to put us on a pay-as-we-go basis over the next 20 years or longer if required. In assuring you of our continued support for such a stepped-up program of international economic development such as you yourself advocate, we should like to reiterate our strong beliefs in support of SUNFED (Special United Nations Fund for Economic Development). We firmly believe, along with many others in both political parties, that more and more of the economic development job should be assigned to the U.N. and affiliated multinational agencies.

Our support is offered independently of action on adequate domestic programs. We recognize the brutal fact that many domestic programs vital to the welfare, strength, and health of the American people and their economy are in danger of being butchered by the administration and the 86th Congress in the name of a balanced budget. We shall continue to fight for programs and appropriations adequate to meet these needs here at home at the same time that we step up our international responsibilities; we will not engage in attempted reprisals against international economic cooperation programs because of votes cast against domestic programs.

If there is any way in which you think we can be of direct help to you in achieving a more adequate international cooperation program, I trust that you will let us know.

We are taking the liberty of supplying copies of this letter to the members of the committee listed below.

Sincerely yours,

VICTOR G. REUTHER,

Administrative Assistant to the President.

Copies to Senator JOHN J. SPARKMAN, Senator HUBERT H. HUMPHREY, Senator MIKE MANSFIELD, Senator WAYNE MORSE, Senator RUSSELL B. LONG, Senator JOHN F. KENNEDY, Senator ALBERT GORE, Senator FRANK CHURCH, Senator ALEXANDER WILEY, Senator WILLIAM LANGER, and Senator GEORGE D. AIKEN.

EXHIBITION OF IMPRESSIONIST AND POST-IMPRESSIONIST PAINTINGS AT THE NATIONAL GALLERY OF ART

Mr. FULBRIGHT. Mr. President, I have been authorized by the Director of the National Gallery of Art, John Walker, to call attention to the current exhibition of masterpieces of impressionist and post-impressionist paintings in the National Gallery. This exhibition will close on May 24.

Recognizing that Members of the Senate are extremely busy during the usual hours when the gallery is open, Mr. Walker has generously offered to open the gallery at any time the Members

of the Senate, or the Members of the House of Representatives, would like to view this exhibit. He has authorized me to say that if any of the Members wish to visit the gallery, if they will give him some notice by telephone, he will arrange to conduct them personally—if at all possible; and if there should be a conflict in his engagements, he will see that a qualified person conducts the Members through the gallery. He suggests that we may come individually, or in groups, or both—at our convenience.

On the opening night of this exhibition, there was such a crowd of people that it was impossible to view the paintings properly. This exhibition was arranged to celebrate the 50th anniversary of the founding of the American Federation of Arts, and also to honor the meeting of the International Chamber of Commerce, in Washington. The exhibition gives Members of the Senate a unique opportunity to see an extraordinary collection of paintings, borrowed from private collections in this country. Many of the pictures have never before been exhibited in this country, and probably will not be exhibited again in the near future. Among these paintings will be found some of the greatest masterpieces of all time. A statement, recently published in the local newspapers, indicated that this exhibition is valued at more than \$20 million.

This is a rare opportunity, which I am sure many of the Members of the Congress will not want to miss. A telephone call to Mr. Walker, at the gallery, is all that is necessary to arrange for a visit.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRUENING in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Young of Ohio in the chair). Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment to Senate bill 44, offered by the Senator from Illinois [Mr. DOUGLAS], for himself and the Senators from Oregon.

Mr. KUCHEL. I wonder if the Senator from Illinois will lend me his ears for a moment, so that he might indicate

whether he would be in a position to consider any reasonable unanimous-consent request by which the Senate might be placed on notice, in advance, as to the hour his amendment would be disposed of, and when the bill might thereafter be voted upon.

Mr. DOUGLAS. Mr. President, I appreciate the concern of my friend from California. I am, of course, anxious to expedite the business of the Senate, but I think no issue is settled unless it is settled rightly, and I think some further discussion of this measure is needed.

I should like to ask my good friend from California if he is now willing to accept the very reasonable amendment which the two Senators from Oregon and the Senator from Illinois have proposed, the main provision of which is to strike section 6(a).

If the Senators from California are willing to strike section 6(a), I think we shall be able to come to a unanimous-consent agreement for a reasonably prompt vote; but if they are not willing to strike section 6(a), I give assurance to my good friend from California that, in defense of the people, the Senator from Illinois, and I believe the Senator from Oregon is likewise disposed, intends to fight on the beaches, in the fields, on the streets, and from house to house, in an effort to protect the people of the United States from one of the greatest land steals that has ever been attempted in the history of this Nation.

Mr. KUCHEL. Mr. President, despite that Churchillian euphemism to describe a filibuster, I regret to inform my colleagues that I find myself unable to accept the amendment which they have proposed.

My only object in making my very brief comment was to ascertain whether it was possible to ascertain when the Senate could vote up or down the amendment offered by the Senator from Illinois and the Senators from Oregon. That is all I had in mind. Their amendment has been debated in the Senate now during the larger part of 2 days. This is the third day that a reclamation project affecting one State, a project which has been approved by every relevant Federal agency and by every relevant State agency, has been before the Senate as the pending business.

The same argument was advanced by the Senator from Illinois against the bill last year, when my then able colleague, Senator Knowland, and I had joined in cosponsoring a similar bill. That bill passed the Senate. This proposal is nothing new. I simply hope that after a certain number of times during which, repetitiously, the position of the Senator from Illinois has been advanced, the men and the one lady in the Senate may have an opportunity to vote on the amendment, for or against.

Mr. President, I yield the floor.

Mr. DOUGLAS. Mr. President, I deeply regret that my good friend from California accused the Senators from Oregon and me of an intention to filibuster. It is a very inexact use of the word "filibuster." If my colleagues will consult the Encyclopedia Britannica, they will

find the word "filibuster" is defined as prolonged discussions or other delaying tactics intended to prevent a vote.

There is no such purpose on the part of the Senators from Oregon and the Senator from Illinois. We do not wish to prevent a vote. We want a vote to come.

But we want the vote to come only when the Senate and the public are informed about the contents of the bill and are aware of the issues which are involved. So, Mr. President, an attempt to delay a vote in order to develop the debate and the public understanding of an issue is not equivalent to a filibuster.

I repeat, we want the vote to come. We want the majority will to prevail. But we believe that the interests of the people, which have not received too much recognition until this measure came to the floor, should be properly considered and properly stated. While we made great progress in the two sessions last week in developing the case against the bill, I do not think we have developed it adequately or sufficiently.

For instance, over the weekend a number of letters and telegrams came to me which I think I should read. The first telegram came from Fresno, Calif., and states:

We strongly approve your amendment to the San Luis bill. You are absolutely right that no project at all would be better than public water without a firm acreage limitation.

RUSSELL E. LEAVENWORTH,
President, Fresno County Democratic Council.

ANN M. LEAVENWORTH,
President of the Democratic Women.

I have also a telegram I have received from San Francisco, Calif.:

Re San Luis bill. Urgently request you exert energies to fight for 160-acre limitation, to apply without qualification.

MARY LOUISE ALLEN,
State President, California Federation of Young Democrats.

I likewise received a letter from Miss Anga Bjornson, of Piedmont, Calif., who heard the debate last week. I read the opening paragraphs of her letter:

Yesterday I had the privilege of sitting in the balcony of the Senate, listening to the magnificent discussion by both you and Senator MORSE and Senator LAUSCHE. As you may know, I am a resident in the State of California and a member of the Democratic Central Committee of that State. In 1954, this is incidental, I ran for the Senate and received 130,000 votes. I merely state this to let you know that I have been more than casually interested in politics.

In all my political activity in that State I have fought for the Reclamation Act and I always find that the citizens of my community agree 100 percent with my interpretation of that basic act. I know, therefore, that if the people of California had heard your speeches yesterday they would have applauded 95 percent.

Then there are certain other paragraphs which I shall not read, but which, if the Senators from California so desire, I will show to them.

I now turn to a resolution adopted by the California Democratic Council, issued in its legislative letter of May 8, 1959. I should like to read, from page

2 of the letter, the appropriate paragraphs under the heading of "Water—San Luis Project":

H.R. 5687 and S. 44 are two bills now before Congress in Washington to authorize joint use of the San Luis Unit of the Central Valley project by California and the United States.

The bills both contain provisions (called Section 6a) which have aroused controversy concerning their effect on the 160-acre limitation of Federal reclamation law. Proponents of the controversial sections (principally Senator KUCHEL) say they just clarify existing law, opponents (Senators DOUGLAS, MORSE, and NEUBERGER) say they would erode existing reclamation law.

This is a further section of the statement from the Democratic Council:

The unbiased Los Angeles Times Washington Bureau describes section 6a as exempting landowners receiving State water in the joint project from the acreage limitation which applies to exclusively Federal reclamation projects. The same source also says, removal of the 160-acre limitation in the State service area was one of the conditions on which Kern County landowners near the project agreed to the joint construction legislation.

In other words, the Los Angeles Times says that the Kern County landowners—the large landowners of Kern County—insisted that section 6a was to be the condition of their approval of the San Luis project as a whole.

Statements in the hearings are to the same effect.

The newsletter goes on to quote the Senate Interior Committee hearings on Senate bill 44, dated March 16, 1958, quoting the Los Angeles Department of Water and Power representatives—

On the Senate floor Thursday Senator ENGLE said he personally opposes section 6a but that its inclusion had been insisted on by the above groups. Both Senator ENGLE and Governor Brown say publicly that, with or without section 6a, only State law applies to State water.

Conclusion: Delete the controversial section. However, there is a lot of heat and little light shed on this problem, so write Washington persuasively, considerably, impersonally, and without demanding anything.

1. Write or wire your Congressman and your Senator. Tell him the Los Angeles Times and Senate debate make it clear that only a limited group (large Kern landowners and similar interests in southern California) insist upon the offending part of section 6—and apparently for selfish reasons; that Senators MORSE, DOUGLAS, and NEUBERGER, who have nothing material to gain from the legislation—

I interpolate to say, that is the sober truth. We have nothing to gain from passage of the legislation, and we have nothing to gain from fighting it—recommend removal of the offending section; that Governor Brown and Senator ENGLE say, in effect, that the section adds nothing to the bill; that the bill won't be a bad bill if the controversial provisions are removed, so why not delete them?

The letter goes on to ask the recipients of the letter to:

Write or wire Representative WAYNE ASPINALL, Democrat, of Colorado, and chairman of House Interior; California Congressmen D. S. SAUND and B. F. SISK; GRACIE PFOST, Democrat, of Idaho; AL ULLMAN, Dem-

ocras, of Oregon; and QUENTIN BURDICK, Democrat, of North Dakota, to the same effect. Act at once. They hear it Wednesday, May 13.

This is simply the Senate bill we are considering. The reason for the suggestion in the newsletter is that the same struggle will shortly go on in the House of Representatives.

I have other telegrams and letters.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MORSE. I should like to have the attention of the two Senators from California.

I desire the attention of the Senator from California [Mr. KUCHEL] and the Senator from California [Mr. ENGLE] because in the last few minutes I have been having some discussions with colleagues, and there is reason to believe, in view of what has taken place thus far in this debate, that the proper course of action is for the Senate to recommit the bill to committee for further consideration of the evidence which has been brought out in the debate and for further consideration of the rising opposition in California to the retention of section 6(a) in the bill.

The latest bit of information comes from the head of the California Grange, Mr. George Sehlmeier, in a telegram I have received in the last 30 minutes. It reads:

California State Grange supports amendments S. 44, all waters delivered from San Luis projects be under reclamation law, therefore suggest section 6(a) be deleted from the bill.

Mr. President, this is no filibuster. This is an attempt on the part of the two Senators from Oregon, under our leader with respect to the bill, the Senator from Illinois [Mr. DOUGLAS], to try to get the Senate, in its very busy deliberations, to consider the facts about the bill.

This is not the first time in 15 years I have been in this situation, Mr. President, when at the very minute we are meeting on the floor of the Senate, at 2:30 in the afternoon, numerous committees of the Senate are in session to take care of very important Senate business. Consequently, Senators are not present in the Chamber to consider what is involved in the bill. What is involved in the bill, as I said at great length last Tuesday and again Thursday, under the leadership of the Senator from Illinois [Mr. DOUGLAS], is a backdoor amendment to the reclamation laws of the United States through the medium of a project bill.

I will join the two Senators from California in a clean bill which proposes to amend the reclamation laws, because I think they should be amended. I think the 160-acre limitation provision should be amended with respect to certain fact situations.

Mr. DOUGLAS. Does not the Senator think that in such a rich area as the Central Valley of California, instead of the 160-acre limitation there should be perhaps a 60-acre limitation?

Mr. MORSE. As I stated to the Senator earlier, I think there is a possibility

that a 40-acre limitation might be better. However, that all depends on the determination of questions of fact.

My good friend, the senior Senator from California [Mr. KUCHEL], is seeking to give the impression that the Senator from Oregon and the Senator from Illinois [Mr. DOUGLAS], are trying to conduct some sort of filibuster. We have been talking about the problems of the bill. We have been placing the facts with respect to the bill in the RECORD. We have been trying to warn a Senate, consisting for the most part of empty seats, for 2 afternoons on the floor of the Senate, about what we consider to be one of the most important major legislative issues, so far as our natural resources are concerned, that can confront the Senate at this session.

What is beginning to happen? At long last the country is becoming aware of the basic issue which is involved. We hear from the head of the State Grange of California. Do Senators suppose that the farmers of California do not have an interest in the bill? Do Senators suppose that the State Grange which is representative of thousands of operators of family-sized farms in California, do not grasp the significance of what is before us? This is the kind of support which will pour into the Senate once the operators of family-sized farms in America realize what is hidden in the bill in section 6(a).

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. MORSE. I am perfectly willing to continue to discuss the bill—and the bill only—on the basis of its merits, for whatever additional time may be necessary in order to acquaint the people of America with the facts with respect to the bill. What I think we should do is to begin consideration of a motion to recommit the bill to the committee; and I shall make such a motion in due course of the debate this afternoon, if we cannot reach some amicable settlement in regard to eliminating section 6(a) from the bill.

Mr. KUCHEL. Mr. President, will the Senator yield to me for a brief comment?

Mr. MORSE. I do not have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. Am I to understand that the senior Senator from California is asking the Senator from Illinois to yield?

Mr. KUCHEL. I am.

Mr. DOUGLAS. I am delighted to yield to my good friend—that is, to yield the floor to him for a brief comment, but not the argument.

Mr. KUCHEL. Mr. President, it has been said before, but let it be said again, that this is not merely a piece of legislation which a Republican Senator has introduced. It is not merely a piece of legislation which a Democratic Senator from California has introduced. The Governor of California, who was elected by the people last November, urges the

Congress to pass the bill. He came here and testified in favor of it. Who, in God's name, speaks for the people of California? Does a Democratic Governor? Do the two Senators from California?

Mr. DOUGLAS. No.

(Manifestations of laughter in the galleries.)

The PRESIDING OFFICER [Mr. YOUNG of Ohio in the Chair]. The Senator will suspend for a moment. Occupants of the galleries must maintain order, or the Sergeant at Arms will be instructed to clear the galleries.

Mr. KUCHEL. Does not the Governor of California, whether he be a Republican or a Democrat, have the right honorably to represent before the Congress what he believes are the best interests of the people who elected him—all the people of our State? I think so.

Do not my colleague and I have the right to stand on this floor and be given credit for indicating our best judgment as to what the best interests of the people of California are, and how they might best be served? I think so.

I do not quarrel with the right of the Senator from Oregon or the Senator from Illinois to say, "There is a great wave of sentiment sweeping across the country," and to introduce a few telegrams into the record. I could get a few telegrams on almost any subject. I do not quarrel with their right to do what they are doing.

But they are wrong, and the record should demonstrate that they are wrong. What is sought here—and, to the credit of the Senator from Illinois, he has indicated by his own words that that is what is sought—is to make the people of California conduct their water system, from San Luis south, under Federal law; and from San Luis north they can do it as the State legislature sees fit. What a mockery. What a ridiculous proposal. What a horrible thing it would be for the Congress to adopt such a policy with respect to any State.

I suggest that the Senator from Oregon is well within his rights in making a motion to recommit the bill. Let him make his motion to recommit; let us debate it. I believe that the debate, which has extended over two lengthy sessions, has fairly well covered the problem; but let us debate it further, and let the Senate vote the motion to recommit up or down, and get along with its business.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Mr. President, I had hoped to be able to make a speech in my own time, but I cannot deny my good friends from California the right to refute my arguments before I advance them.

I am very glad to yield to the junior Senator from California.

Mr. ENGLE. Mr. President, as I understand, the distinguished Senator from Illinois takes the position that his amendment striking section 6(a) would apply the 160-acre limitation to all the lands served by both the Federal and State governments under this project.

Mr. DOUGLAS. The Senator has put some words in my mouth.

Mr. ENGLE. I will give the Senator an opportunity to straighten out the situation.

I have stated consistently that striking section 6(a) from the bill would not accomplish what the Senator from Illinois says it would. I asked him the question, and he said, "Oh, yes; it would do what I have said it would do."

But I have asked the Senator from Oregon, a renowned and celebrated lawyer, the same question. He is not prepared to say that the amendment of the Senator from Illinois would accomplish what the Senator from Illinois says he is trying to accomplish. If the Senator from Illinois could accomplish, by the amendment he proposes, what he says it would accomplish, it should, of course, be resoundingly voted down by the Senate.

We should not, in the Senate, pass legislation which would apply the Federal reclamation law to a project which is built and paid for, lock, stock, and powerhouses, by the State of California. As the Governor has said—and he and I agree 100 percent—that is a matter resting within the discretion of the State legislature.

But I perceive that our two friends who are supporting the amendment are not altogether in agreement with respect to what it would do. It would not do what the Senator from Illinois says it would do. I am glad it would not, because if it happens to be adopted it will not do us any harm. I think we should straighten the record out on that score.

I have before me the telegram from Mr. George Sehlmeier, master of the State Grange. I have known him for a period of 25 years.

Mr. DOUGLAS. Does the Senator deny the authenticity of the telegram?

Mr. ENGLE. Not at all. I have known George Sehlmeier for many years. I know that he wants to apply the 160-acre limitation in California. I support the 160-acre limitation too. But then he says, "Support the amendment offered by the Senator from Illinois." What my friend George Sehlmeier does not know is that the amendment of the Senator from Illinois would not do what the Senator from Illinois thinks it would do.

Mr. DOUGLAS. Mr. President, a number of themes have been introduced into this debate. I shall deal with the point just raised by the junior Senator from California in a moment. First, let me deal with the point raised by the senior Senator from California [Mr. KUCHEL].

He asked very eloquently, "Who represents the people of California?" He implied that the two Senators from California and the Governor of California represent them and oppose our amendment. Let me say that a careful examination of the telegram of the Governor of California will disclose that he is very careful not to commit himself against the Neuberger-Morse-Douglas amendment. He did not say that he wanted section 6(a) to stay in the bill; not at all, and there is no declaration to that effect in the telegram.

I do not wish to abuse the confidence of the junior Senator from California, but he has stated openly on the floor of the Senate he would be perfectly willing to have section 6(a) eliminated from the bill. Therefore apparently what the senior Senator from California is saying is this: "I represent the people of California. The law is the embodiment of everything that is excellent, and I am the very embodiment of the law."

I have read some quotations from representative groups in California who are in favor of the Neuberger-Morse-Douglas amendment to eliminate section 6(a). The California Grange wants to have it eliminated. The Farmers Union wants to have it eliminated.

Now I should like to read some testimony and communications from the AFL-CIO. First, I should like to call to the attention of my colleagues a statement filed with the committee by Mr. C. J. Haggerty, secretary-treasurer of the California Labor Federation, AFL-CIO. I ask unanimous consent that that statement and the accompanying telegram to the Senator from New Mexico [Mr. ANDERSON] be printed in the RECORD at this point.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

STATEMENT OF THE CALIFORNIA LABOR FEDERATION, AFL-CIO

In accordance with the long-established policy of the California Labor Federation, AFL-CIO, I appreciate the opportunity again to support a request for Federal aid for water development in California, specifically upon this occasion for construction of the San Luis project.

The feasibility of the San Luis project and the absolute necessity of its construction have been established beyond all reasonable doubt. We strongly urge its immediate authorization and early construction.

We recognize and support the position that provision should be made in the authorizing legislation for coordination of the Federal project with California water plans, should the State decide to enter the field of water and power development. At the same time, we insist that the Federal San Luis unit be constructed under reclamation law without deviation or evasion, and that the occasion for cooperation with the State shall not be used as a pretext for undermining, or for permitting others to undermine national antiwater monopoly policy. We stand on our position as stated previously when San Luis project bills were under consideration by Congress (see hearings before the Senate Subcommittee on Irrigation and Reclamation, 85th Cong., 2d sess., on S. 1887), and appreciate that some of our earlier specific objections were met in preparing current drafts. We continue to insist, however, that Congress shall maintain present law and policy on San Luis, which S. 44 and H.R. 301 fail to do, and ask that these bills be redrafted to preserve existing law and policy.

There is no need to set up a new policy for cooperation between the Federal Government and a State government. Reclamation law already provides that the basis of cooperation between the Federal Government and other agencies, public and private, corporate and individual, shall be national water policy.

Reclamation law, which we believe should stand unchanged, provides that in the event of cooperation, the excess land provision shall govern all water-using Federal project facilities involved in the cooperative endeavor. The Warren Act of February 21, 1911 (36

Stat. 925, 926) states: "That whenever in carrying out the provisions of the reclamation law, storage or carrying capacity has been or may be provided in excess of the requirements of the lands to be irrigated under any project, the Secretary of Interior * * * is thereby authorized * * * to contract for the impounding, storage, and carriage of water * * * with irrigation systems * * * individuals, corporations, associations, and irrigation districts * * *. What so impounded, stored, or carried shall not be used otherwise than as prescribed by law as to lands held in private ownership within Government reclamation projects. *Provided further*, That water shall not be furnished from any such reservoir or delivered through any such canal or ditch to any one landowner in excess of an amount sufficient to irrigate one hundred and sixty acres * * *."

We see no reason to make any exception to this law in any respect because the cooperation of the Federal Government proposed in the San Luis bills is with California or some California landowners. Unfortunately, H.R. 301 and S. 44 do propose to sacrifice the public policy inscribed in the Warren Act of 1911. The attention of Members of Congress and citizens could easily be diverted away from the crucial question whether the water benefits from Federal facilities, to the irrelevant inquiry, Where is the land located? Hoping we will forget that the limitation relates to water, these bills seek to divert our attention to land. Whether the land to receive water that is stored and carried in Federal reservoirs and canals happens to be situated in a State's service area or not, has nothing to do with the propriety of conforming to or escaping from public policy.

The issue is one of substance as well as principle. Physical advantages of the proposed integration with the Federal Central Valley project are indispensable, and all landowners will benefit from integration whether their lands lie within the Federal or the State's service area. Central Valley project facilities will be used to store and to bring water from sources hundreds of miles away, including water that will reach lands in the State's service area.

The financial benefits of integration are great, if not also indispensable to the benefiting landowners. It may be impossible to measure precisely in dollars the advantages to landowners of financial integration of San Luis with the Central Valley project, but a number of California Congressmen have applied, as descriptive terms, to similar benefits for Central Valley landowners the strong words, "unearned" and "unjust" enrichment. (CLAIR ENGLE, GEORGE P. MILLER, JOHN E. MOSS, HARLAND HAGEN, B. F. SISK, and J. J. McFALL to Edmund G. "Pat" Brown, Feb. 4, 1957, L.A. 23,043, in the Supreme Court of the State of California, *The Ivanhoe Irrigation District, Plaintiff and Respondent, v. All Parties and Persons, etc., Defendants and Appellants*, petition for rehearing of the appellant, the State of California.)

These six Congressmen estimated that the financial advantages to landowners in the present Central Valley project were of approximately the following order of magnitude: a direct subsidy of \$350 per acre from the Federal Government and an additional subsidy of \$227 per acre from public power revenue; the landowner himself is expected to repay \$123 per acre. (Ibid.) Recognizing that the Federal benefits to landowners in the State service area are somewhat less than in the Federal service area, and some uncertainty as to how closely these estimates fit the proposed San Luis integration, it is clear that the advantages to be conferred by the San Luis project on all landowners, at the hands of Federal taxpayers and California power users, will be substantial.

We see nothing in the facts of the San Luis project to justify relieving excess landholders in whatever service area from the

Federal statute controlling "unearned" or "unjust" enrichment. On the contrary, the concentration of landownership in areas that would benefit from the San Luis project appears to be precisely the concentration that persuaded Congress to pass the excess land provision in the first place. Congressman George W. Ray, of New York, for example, seeking to protect the public interest in 1902, opposed all spending of public funds for reclamation. When Federal aid was being debated in the original reclamation bill in 1902, he said: "and so we find behind this scheme, egging it on, encouraging it, the great railroad interests of the West, who own millions of acres of these arid lands, now useless, and the very moment that we, at the public expense, establish or construct these irrigation works and reservoirs, you will find multiplied by 10, and in some instances by 20, the value of now worthless land owned by those railroad companies, the title to which they obtained through grants from the Government for building great transcontinental railroad lines" (35 CONGRESSIONAL RECORD 6685).

The original objections to public aid for private benefit, of course, were not grounded on the particular occupation of large landowners but on the excessive concentration of "unearned" benefits and water resources if size were not made a ground for limitation.

"Acceptability" is relative. On August 15, 1958, one Senator said on the floor of the Senate that he thought one very large landholding corporation in San Luis project area, although opposed to the excess land provision publicly, nevertheless "will be compelled to participate through the force of public opinion." Another Senator added immediately, "In my judgment, the Southern Pacific will reverse its decision, and will participate in the project, and will subdivide its land" (CONGRESSIONAL RECORD, Aug. 15, 1958, p. 16301).

Former Senator Downey predicted in 1947 that the Di Giorgio Fruit Corp. would not accept the excess land provision (They Would Rule the Valley, p. 180). But when the electors of a dozen water districts along the Friant-Kern Canal voted 10 to 1, on the average, to accept water under reclamation law, this corporation complied, too (California Farmer, May 17, 1952, p. 533).

We believe that large landowners in California, generally, when they fully realize the public purposes of the excess land provision, and when they believe that neither Congress, the courts, nor unsympathetic administrators will grant them escape from the law, will accept the law in good spirit and subdivide their lands.

The Supreme Court of the United States recently, in June 1958, has upheld the excess land provision against judicial attack. The Attorney General of the United States even more recently, on December 15, 1958, has upheld the law on Kings and Kern River projects in the immediate vicinity of the San Luis service area against unsympathetic administrators.

We urge Congress, likewise, to stand firmly now for historic public policy, rather than offer a partial exemption to excess landowners at San Luis, and stir hopes of more laxity elsewhere.

The present is no time for Congress to yield, just when the executive and judicial branches of Government are standing firm, when the electors in Central Valley, speaking clearly their acceptance of reclamation law, and when leading landowning corporations are moving in the direction of acceptance.

SAN FRANCISCO, CALIF.,
March 23, 1959.

Senator C. P. ANDERSON,
Chairman, Senate Irrigation and Reclamation Subcommittee, Senate Office Building, Washington, D.C.:

You will appreciate our difficulty 3,000 miles from Washington in keeping informed of every latest move to undermine anti-monopoly and antispeculation law in our Central Valley project. On the assumption that a move has been or will be made before your committee to replace S. 44 by something worse as in the House H.R. 5687 now seeks to replace H.R. 301 the latter being identical to S. 44, I respectfully urge you to consider insofar as it is applicable to your deliberations and to print in your San Luis Central Valley project hearings this telegram of protest we have just sent to Congressman WAYNE ASPINALL, chairman, House Irrigation and Reclamation Subcommittee, the text of which reads as follows:

"Have just learned of introduction of San Luis bill H.R. 5687 on March 13. Emphatically protest this bill especially section 6 which explicitly subverts Warren Act of 1911 by proposing to substitute a location of land principle for the present beneficial use of public reservoirs and canals' principle, the latter is sound while the former illogical, irrelevant, diversionary, and subversive to policy. California Labor Federation, AFL-CIO oppose this effort to destroy national law and water policy governing Central Valley project and urges the 86th Congress to do as well as the 78th and 80th Congresses by striking down H.R. 5687. Please print this wire in the San Luis Central Valley project hearings."

C. J. HAGGERTY,
Secretary-Treasurer, California Labor Federation, AFL-CIO.

Mr. DOUGLAS. Mr. President, as the senior Senator from California is well aware, Mr. Haggerty, representing AFL-CIO, specifically stated as follows:

We urge Congress, likewise, to stand firmly now for historic public policy, rather than offer a partial exemption to excess landowners at San Luis, and stir hopes of more laxity elsewhere.

The present is no time for Congress to yield, just when the executive and judicial branches of Government are standing firm, when the electors in Central Valley, speaking clearly their acceptance of reclamation law, and when leading landowning corporations are moving in the direction of "acceptance."

I will say at this point that, while it properly refers to the acceptance of reclamation law in the referendum elections in various water districts, the last clause perhaps places too much reliance and too much hope on the movements of the leading landowning corporations, more in fact than the circumstances justify.

Mr. Haggerty sent a telegram to Representative ASPINALL, as follows:

Have just learned of introduction of San Luis bill H.R. 5687 on March 13.

I understand H.R. 5687 is identical with S. 44.

Emphatically protest this bill especially section 6 which explicitly subverts Warren Act of 1911 by proposing to substitute a "location of land" principle for the present "beneficial use of public reservoirs and

canals" principle, the latter is sound while the former illogical, irrelevant, diversionary, and subversive to policy. California Labor Federation, AFL-CIO oppose this effort to destroy national law and water policy governing Central Valley project and urges the 86th Congress to do as well as the 78th and 80th Congresses by striking down H.R. 5687. Please print this wire in the San Luis Central Valley project hearings.

C. J. HAGGERTY,
Secretary-Treasurer, California Labor Federation, AFL-CIO.

It is now printed in the CONGRESSIONAL RECORD.

I received a telegram this morning from Mr. Andrew J. Biemiller, director, AFL-CIO Legislative Department, which reads as follows:

Washington, D.C., May 9, 1959.

Senator PAUL H. DOUGLAS:

Deeply appreciate the good fight you are making to preserve 160-acre Federal reclamation law as it applies to San Luis unit, California. Deletion of section 6a and amendments as outlined in my letter of May 6 to all Senators would in our judgment protect national reclamation policy. Keep up the good work.

ANDREW J. BIEMILLER,
Director, AFL-CIO Legislative Department.

I have a letter dated May 6, 1959, from Mr. Biemiller, addressed to me, which reads as follows:

On behalf of the American Federation of Labor and Congress of Industrial Organizations and the California Labor Federation, AFL-CIO, I am writing you to outline a most urgent situation respecting S. 44, a bill to authorize construction of the San Luis unit of the Central Valley project in California.

This legislation contains clear and present dangers to Federal reclamation law. These dangers do not lie in the project itself, which deserves authorization, for it is badly needed by the people of the State of California. Instead the threat to the public interest lies in the language of S. 44 as it pertains to the antimonopoly, antispeculation provisions of the Reclamation Act of 1902 as amended.

Passage of S. 44 as it now stands would do serious injury to a half century of national reclamation policy. The language in the San Luis bill specifically in section 6 and in section 3 (f), (g), (h), should be stricken before this bill is allowed to pass. The above-mentioned sections offer nothing to the public interest and favor nobody but holders of excess lands.

I may add that it is precisely section 6(a) and the related part of section 1 which the Morse-Neuberger-Douglas amendment proposes to eliminate.

The letter goes on to say:

As you so well know, the excess land provisions of reclamation law assure widespread distribution of water resources, and place an upper limit on the public subsidy which any individual landowner may receive. Any landowner may own all the land that he wants and can obtain, but under the excess land provisions of the Reclamation Act, he cannot obtain water from a Federal project unless he agrees to comply with this section of the act, allowing water for his land up to 160 acres with 320 acres for a man and wife.

Six California Congressmen have estimated the value of public subsidy under Reclamation law to landowners in the pres-

ently constituted Central Valley project. They give the figure as at least \$577 per acre. Thus the holder of 160 acres would receive \$92,320 in subsidy and the joint holders of 320 acres would have a subsidy value on this amount of land of \$184,640.

In the San Luis project area, ownership tables carried in the records of the 85th Congress hearings on the San Luis project show 34 owners of land holding nearly three-fourths of a million acres, or an average of 22,000 acres per owner.

From these data it is readily understandable why the San Luis bill (S. 44) as presently written, destroying existing acreage limitation on these lands, would be of such tremendous benefit to a handful of great corporations and corporation farms. Each of these huge landowners would benefit from Federal subsidies to the amount of approximately \$12.7 million per holding. The aggregate subsidies to this small group would amount to more than \$430 million.

There is no doubt that the large landowners in California's most fertile and productive areas are using S. 44 as a tremendous "gray train" for them at the expense of both Federal and State taxpayers. It is equally clear that if S. 44 passes the Senate of the United States without amending language to restore without question the operation of both State and Federal service areas under full provision of the acreage restrictions carried in the 1902 act, that this will set a precedent in every future reclamation project in the West. It will cause the program either to be an instrument to pour millions of dollars in subsidies to the corporation farmers and undermine the family sized farm, or cause a negative reaction in Congress that vitally needed and feasible reclamation projects, like San Luis, will be rejected by the Congress when authorization is sought.

Specifically, the AFL-CIO and the California Labor Federation urge that section 3(f), (g), and (h), and section 6, as they now stand in S. 44 be amended to:

(a) Restore unmistakably operation of the Federal service area under provisions of the Reclamation Act of 1902 without exception or equivocation.

(b) Establish the excess land provision of reclamation law to land facilities in the San Luis project jointly constructed and used by the Federal Government and the State of California.

(c) Reserve only to the Congress the power of decision on the date and the terms of any transfer of the San Luis project works to the State of California.

It should be * * * obvious as debate unfolds that this bill is obscurely and badly drafted and can be subjected to various kinds of interpretation.

We can see no reason, therefore, why there would be any objection by any Senator, including those in support of the bill, to clarifying its language so that the protection offered by the 1902 Reclamation Act, as amended, and other pertinent legislation, is clearly and unmistakably written into this bill. We bring this matter to your attention because of your long and untiring effort to protect the public interest against all efforts to weaken the 160-acre limitation law.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

In further reference to the paragraph in Mr. Biemiller's letter about the large holdings of some 34 owners in the area, I would point out that the public subsidy to these 34 owners, at \$577 an acre, on the three-quarters of a million acres of land they own would, if they would secure water for it all, amount to more than \$400 million. That is not all.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Not at this point.

This is in effect a proposal to give hundreds of millions of dollars to a limited, small group of huge landowners, many of whom obtained their land in devious ways, as is true of the Southern Pacific Land Co. We brought out in the debate—and it has not been challenged—that 120,000 acres lying within this so-called Federal service area, owned by the Southern Pacific Land Company, were originally given to that company in return for a railway which they promised to construct through that area, but which they never built.

The subsidy of \$577 an acre which is proposed to be given on at least 120,000 acres of this company's land, will amount to a payment of over \$75 million to this company alone if they can evade acreage limitation. In addition to this, huge amounts are to be given to the Boston Ranch Co., as well as to a number of other companies, whom I named in the CONGRESSIONAL RECORD last Thursday. I will sum up a few of them.

There is the Standard Oil Co., with 104,770 acres in the valley. At \$577 an acre, that amounts to \$60 million. Some of this land, of course, is outside the service area, but a portion of it I understand lies within the San Luis service area.

Then there is in this general area the Anderson-Clayton Company of Texas, with 24,771 acres. There would be a subsidy paid in that instance of more than \$14 million. Helen Lillis has 20,000 acres. The subsidy would amount almost to \$12 million in that instance. And so on through the whole list.

I wish the Committee might have included in the hearings more specific information on the precise facts of land ownership both within the so-called Federal service area, and the areas outside to be served by the enlargement of the reservoir and project later.

What the Senator from Oregon and the Senator from Illinois are trying to say is that these great subsidies go primarily to a limited number of people.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. I should like to place in the RECORD the whole picture of the ownerships. Under 160 acres, there are 1,157 farms, totaling 44,086 acres.

Under 320 acres, which on a family ownership basis is within the Federal acreage limitation, there are 87 farms, totaling 22,034 acres. That is a total of 90 percent of the individual ownership.

Mr. DOUGLAS. Yes; but what percentage of the land do they have?

Mr. ENGLE. I am coming to that. Between 320 acres and 1,000 acres, there are 80 farms, having 47,701 acres.

Over 1,000 acres, there are 53 farms, having 255,619 acres.

Let me say to the Senator from Illinois that that is why we have insisted, and it is why the bill clearly provides, that the 160-acre limitation shall apply within the Federal service area. That is

what I am talking about—the Federal service area. The 160-acre limitation, with its nonspeculative purpose, applies to this area. But the Senator keeps hollering about what is going on in that area. The 160-acre limitation applies. He certainly does not object to that, does he? Does the Senator from Illinois object to the application of the 160-acre limitation to those lands?

Mr. DOUGLAS. Of course I do not. The Senator from Oregon and the Senator from Illinois want the 160-acre limitation to apply to all the lands serviced by projects in which the Federal Government has made and will make a huge investment of funds.

Mr. ENGLE. I am all for that. I agree with the Senator on that.

Mr. DOUGLAS. Then the Senator should agree to strike section 6(a).

Mr. ENGLE. No. The Senator from Illinois, if his interpretation of the amendment is correct, wants to apply the acreage limitation law to projects built by the State government, projects for which the State has paid every cent. Then he wants to apply the 160-acre limitation of the Federal reclamation law.

What the Governor of California said in the telegram which I read to the Senate the other day was that he approved the principle of acreage limitation, as I do, as applied to Federal projects. With respect to parts of a project for which the State puts up money, that is a matter which ought to be decided by the State government and the State legislature, and he intended to see to it that that was given proper attention.

But the Senator from Illinois wants to sit in Washington and legislate reclamation law onto a part of a project for which every dime, every nickel, and every red cent was paid by the State of California.

I support the 160-acre limitation with reference to all those ownerships to which the Senator has referred, on which the 160-acre limitation applies.

Mr. DOUGLAS. Mr. President, I think this issue was covered quite fully in the discussion of last Tuesday and last Thursday. The first point is that the waters which will be used will be commingled waters, resulting from Federal investment and State investment, if the State goes through with the projects which they say they will complete.

Then, if we take the San Luis Dam itself, that is a dam the substructure of which is to be constructed by the Federal Government, with only a \$10 million to \$17 million initial contribution to be made by the State. The first story will be constructed by the Federal Government. The second story, the State says, will be constructed later with State funds. But that is a unified structure. We cannot cut across it with a knife and say, "Up to a certain height, this is a Federal dam, and above a given height it is a State dam." We cannot say of the waters in the reservoir, "This is Federal water, and the other is State water." No. The two are mixed inextricably. That is the San Luis Dam and Reservoir situation.

Upstream, we find other things. We find that the delta-cross canal, which joins the Sacramento River with this project, is already a Federal project, with Federal funds expended, and which is to be utilized by the allegedly State waters.

Then it is found that cheap Federal power will be needed from the waterfalls at Shasta and other places still farther up stream in order to hoist the water from the Sacramento River into the San Joaquin Valley to make the basic San Luis project feasible.

Then it is found that the prior Federal investments at Shasta, Keswick, Folsom, Trinity, and the other places are all necessary for this project.

I know our friends from California say that Oroville Dam is to be a separate State project in connection with the Feather River. It is very interesting that at this very moment California is asking for an increase in Federal planning money from \$30,000 to \$40,000 for Oroville Dam, and that the distinguished former Governor, whom the present junior Senator from California had the honor to defeat in the elections last fall, stated that California wanted "an appropriation" of at least \$75 million in Federal funds for the nonreimbursable benefits of the Feather River Project's Keystone Oroville Dam." That statement appears in the San Francisco Examiner of April 10, 1957. The Governor from California in 1957 made that statement, and it was printed in the San Francisco Examiner.

Mr. KUCHEL. The Senator from Illinois is nearer right than he thinks. If he will yield to me, I can give him the exact fact.

Mr. DOUGLAS. I am very desirous of being precisely correct. I do not want to overstress the truth.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. The Senator is pretty close to the facts.

Mr. DOUGLAS. I generally am, but I try to be right on the nose.

Mr. ENGLE. For his information, legislation has already passed Congress authorizing the Federal Government to make a contribution for the nonreimbursable flood control features of the Oroville Dam. That is what the distinguished former Governor was talking about.

Mr. DOUGLAS. And the present junior Senator from California as well.

Mr. ENGLE. I was the author of the bill.

Mr. DOUGLAS. Now we are getting down to cases.

Mr. ENGLE. I am proud of the fact that I was the author of the bill.

Mr. DOUGLAS. How can one separate water held back to serve the purposes of non-reimbursable factors, for flood control, from water which is held back for irrigation? We cannot say to 1 gallon of water, "You are a non-reimbursable gallon," and to another, "You are a reimbursable gallon."

The acre-feet of water which pour down, commingle and commix. Now the junior Senator from California, out of

his own mouth, has said he wants a \$75 million Federal appropriation for Oroville and to help hold the other waters which will come down. But he further says, "We do not want the Federal Government to extend the protection of the Federal irrigation law to the water which will be used for irrigation purposes." But I do not believe Congress can draw any such line, because that water is not marked as to whether it is used for irrigation or is held back for flood prevention. Ultimately it all goes downstream, although not at the same time it otherwise would.

Mr. ENGLE. Mr. President, will the Senator yield, so that I may answer his argument, which has a surface plausibility?

Mr. DOUGLAS. It not only has surface plausibility; it is true.

Mr. ENGLE. Any time a dam is placed in a river, everybody's water is stopped. There is no way to put a dam in a river and not stop everybody's water. A dam will stop water which belongs to the irrigation districts. It will stop water which belongs to the farms below. It will stop waters which belong to the State of California.

When the great Shasta Dam was built, a dam which blocks the Sacramento and other rivers of northern California below their confluence, everybody's water was stopped. Four and one-half million acre-feet of water were stored up.

The Sacramento River, which comes down from northern California some 150 miles, is used as a canal. It is everybody's water.

Mr. DOUGLAS. That river has been deepened and put into shape by Federal appropriations.

Mr. ENGLE. That is correct; just as in the case of other waterways throughout the Nation. But when the water gets out of the dam, the Federal water is distributed on Federal projects. The Federal water is picked up in the appropriate amounts at the Delta pumps, run to the San Joaquin Valley, and distributed on Federal reclamation lands under the 160-acre limitation. Those waters go into Shasta Lake, with its storage of 4½ million acre-feet. Irrigation districts such as the Anderson and Cottonwood districts take their waters out, and their waters are distributed free and clear of any acreage limitation. And that is as it should be.

Now the Senator from Illinois is beginning to see the implication of the sort of argument he is making, namely, that the mere commingling of water because the Federal Government sticks a piece of cement across a river, and thus blocks everyone's water, does not give the Federal Government the right to pursue each molecule of water as if it had "U.S.A." stamped on it. The law applies to the quantum of water delivered to the Federal reclamation projects, and not otherwise. If that were not the case, the Federal Government could not ever build a dam across a major stream in any State of the Nation without applying all the national reclamation laws to every project built by every State and every farmer group in the Nation; and the distin-

guished Senator from Illinois knows that would not happen. That is precisely why the formula about which he is arguing is wrong.

I would say to the Senator from Illinois that if California uses facilities built by the Federal Government and paid for by the Federal Government, to implement a California water project, such as the Delta pumps on the Central Valley project or the Delta-Mendota Canal, apply the 160-acre limitation. But that is not the situation in this case.

I call my colleague's attention to the fact that whenever a great dam is built and plugs a river—whether it is the Colorado River at Boulder, the Colorado River at Glen Canyon, the Colorado River at Parker or Davis, the American River at Folsom, the Sacramento River at Shasta, or the Trinity River at the Trinity project—that wall of cement stops everyone's water; and the distribution of the water is not necessarily made on the basis of the national reclamation law. If that were the case, we simply would have to get out of the reclamation business.

Mr. DOUGLAS. Mr. President, I recite the facts about commingling of waters, use of Federally built facilities, and use of joint facilities only to show that, as a matter of fact, the Oroville Dam and so-called State service area project are not a separate State project. It will all be a joint project.

It will be a joint project because of the Federal-State joint works of the San Luis Dam and Reservoir, the federally built Delta Cross Channel, and possibly the enlarged Delta-Mendota Canal.

It will be a joint project because of the Federal supporting works that make the water and power available, which in turn make the San Luis unit possible. The cheap power is created and the water is stored and then channeled to the lands through the construction of the whole Central Valley project, in which water power, reservoirs, pumping, and channels are interwoven; and in this connection I could mention the Shasta Dam and powerplant; the Keswick Dam and powerplant; the Trinity Dams and powerplant, which are under construction, and are 65 percent complete; the Sacramento canals; the Nimbus Dam and powerplant; the Folsom Dam and powerplant, the Sly Power Dam, the Delta Cross Channel, to which I have referred, the Tracy pumping plant, the Delta-Mendota Canal, and the San Luis Dam and Reservoir itself.

And now I believe we shall have to add the Oroville dam project, for which the Senator from California and other Senators have been asking a Federal contribution of \$75 million to help build the dams.

Previously, they have been saying this would be a 100 percent State project. But it turns out to be nothing of the sort. A large part of the basic cost of the Oroville project is to be charged to the Federal government, in the case of the flood control, and possibly navigation costs; and only the residue, or the irrigation costs, are to be borne by the State government. And as I shall

shortly suggest, perhaps even some of these irrigation costs of the so-called State project will also be thrust on the Federal government.

But I should like to point out, in this connection, that the waters which will be held back by the Oroville dam for flood control and navigation purposes—for which the Federal government is asked to pay—ultimately will go to the jointly-constructed San Luis reservoir, just as much as will the water which is specifically earmarked for irrigation. All the water pumped into the San Luis valley will go down there for irrigation, regardless of the cost allocations at Oroville dam between flood control and irrigation.

I point out that despite all these Federal contributions, the Senators from California do not want the Federal reclamation law to apply except in the so-called Federal service area in this valley. However, it is clear that in this valley there is an exceptionally high degree of concentrated land ownership. Probably three-fourths of the land is locked up in huge landed estates, largely descended either from the railway land grants or from the Mexican and Spanish land grants, or in other cases required by shrewd purchasing at low land values or by some questionable means.

These landowners are the ones who will make close to \$600 an acre—which will be given to them by the taxpayers of the United States—by the taxpayers of Michigan, by the taxpayers of North Dakota, by the taxpayers of Oregon, by the taxpayers of Minnesota, by the taxpayers of Illinois, by the taxpayers of Wisconsin—by all the taxpayers of the Nation when the irrigation water is put on their lands. All of the taxpayers will pay the bill. But who will get the profit? The profit from these expenditures will be received by the big landowners in very large part, unless existing Federal land policies favoring family-farms are allowed to apply.

Very frankly, Mr. President, I take the position that although it may be against the immediate economic interests of my State to pay these taxes and, in return, to have these areas produce more wheat than they otherwise would produce, and to have that wheat enter into competition with wheat produced in the Middle West, I would be ready to agree that that be done if we could democratize the land ownership in this valley, so that the small farmers could have a chance to get hold of the land.

But I would be false to my trust if I voted for these huge expenditures which not only would enrich a few, but also would perpetuate a condition of agrarian feudalism, in which a few large landowners control the land, and thousands of persons, many of them Mexican-Americans, day laborers who live in poverty-stricken villages—and I have inspected some of the villages on this land—actually do the farming.

Mr. President, that is not the American system. The American system is that the person who farms the land should, insofar as possible, be the farm owner.

That is the basis on which democracy was established in the Mississippi Valley; but that basis of agrarian democracy does not exist in large areas of California. It does not exist in certain sections of Texas, which also inherited Mexican and Spanish law. But it is the condition which we hope will prevail increasingly in the future if we can only apply the U.S. reclamation law.

I have indicated that this is a rather frail reed in itself in the case of areas as rich as this one, because a family which grows wheat can make a living with 30, 40, or 50 acres, whereas a man and wife under the reclamation law can secure water for 320 acres. Personally, I think that if we wish to have a realistic, family-farm acreage limitation and if we wish to democratize agriculture, the limit should be 60 or 40 acres in these fertile valleys, as the Senator from Oregon has suggested.

But all we are trying to do is establish 160 or 320 acres as the limit—which will make these people rich beyond the dreams of avarice, and would give a man and wife a subsidy of close to \$180,000 a farm.

But the junior Senator from California says that is not enough—that we must let the Southern Pacific Railroad Co., with its 120,000 acres in the Federal service area, have its 30,000 or so acres outside that area irrigated by the joint project without any limitation. We must let the Kern County Land Co. have all of its 348,000 acres that are in the so-called State service area receive water without acreage limitation, and so forth and so on.

Mr. President, I think that in this connection I should point out that there is a possible further Federal subsidy in the case of the Oroville Dam—namely, through interest-free payments to the so-called State irrigation project. That is a subsidy from the Federal Government. This shows what an illusion it is to call this a separate State project, from which Federal land policy should be excluded, as section 6(a) seeks to do.

I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, the clear and revealing statement dealing with this subject by the very able junior Senator from California, which was placed in the CONGRESSIONAL RECORD of September 19, 1957, by him and includes quotations from various California newspapers.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, Sept. 19, 1957, pp. A7668-A7669]

ENGLE WATER PLAN PRAISED

(Extension of remarks of Hon. CLAIR ENGLE, of California, in the House of Representatives, Friday, August 30, 1957)

Mr. ENGLE. Mr. Speaker, the early response to my proposal, whereby the Federal Government would make nonreimbursable contributions for flood control and interest-free loans for irrigation features of State projects constructed primarily for development of municipal and industrial water, has been most gratifying.

Under leave to extend my remarks, I include some of the articles and editorials ap-

pearing in leading newspapers in northern and southern California, with comments on the proposal, as follows:

"[From the Sacramento Bee of Aug. 12, 1957]

"ENGLE PROPOSES UNITED STATES-STATE WATER PLAN SPEEDUP

"(By Edward H. Dickson)

"WASHINGTON.—Chairman CLAIR ENGLE of the House Interior and Insular Affairs Committee today disclosed a new legislative plan which he said is designed to speed joint Federal-State construction of water projects in California and the other Western States.

Under the program, the Federal Government for the first time would be allowed to participate in projects designed primarily to furnish domestic and industrial water rather than irrigation water.

"ENGLE, a Democrat representing the Sacramento Valley and Sierra Nevada district, made known his views in a letter to Assemblyman Carley Porter, of Los Angeles County, chairman of the subcommittee of the joint interim committee on State water problems of the State legislature.

"He urged that congressional and State legislative water committees meet this fall in California to discuss his suggested legislation and also the financing of future State water projects.

"OUTLINES STATE ROLE

"Under the Engle plan, the States would build the projects where the prime purpose is the development of domestic and industrial supplies with the State responsible for the financing of these features plus any hydroelectric power development.

"The Federal Government would make an outright contribution for flood-control benefits as a recognized Federal responsibility and also make an interest-free loan for benefits ascribed to irrigation.

"While many multiple-purpose projects built now by the Federal Government provide for flood control and domestic and industrial water, historically Congress has insisted that the primary purpose be the irrigation of farmland."

"[From the Sacramento Bee, Aug. 13, 1957]

"FEATHER RIVER PROJECT BACKERS LAUD ENGLE WATER PLAN

"Grover C. Shannon, of Yuba City, Sutter County, president of the Feather River Project Association, and Samuel B. Morris, of Los Angeles, a vice president of the group, today lauded a new proposal to speed joint Federal-State construction of water projects.

"The water development leaders from the northern and southern sections of the State praised a suggestion made yesterday by Congressman CLAIR ENGLE, Democrat, of Red Bluff, Tehama County, chairman of the House Interior and Insular Affairs Committee.

"Under ENGLE's plan the States would build the projects where the prime purpose is the development of domestic and industrial supplies, with the State responsible for the financing of these features plus any hydroelectric power development.

"The Federal Government would make an outright contribution for flood-control benefits and also make an interest-free loan for benefits ascribed to irrigation.

"Most encouraging

"It is most encouraging to learn of Congressman ENGLE's proposal that will make it possible for the Federal Government to grant benefits to State projects like the Feather River project," Shannon said.

"The Feather River Project Association has just adopted a broad financing policy for State water projects. ENGLE's reported suggestions are covered by our program and would aid in the solution of Feather River project financing which is so important to millions of Californians."

"Morris called the Engle plan a major step in encouraging local initiative to undertake large multipurpose water projects such as the Feather River project.

"State leadership

"Instead of depending upon Uncle Sam to do these jobs, California and other States can take the leadership to solve their own problems, where the major interest is domestic and industrial water supply, with assurance they would get the same degree of financial support for other purposes that would be given a strictly Federal project."

"Historically, Congress has insisted that the primary purpose of Federal water projects be the irrigation of farmland. With California's expanding population the domestic and industrial demands are increasing but the cost of supplying them is considered by some water experts as prohibitive for State financing alone."

"[From the Los Angeles Examiner, Aug. 13, 1957]

"WATER AID PLAN BACKED

"Representative CLAIR ENGLE's proposal that Federal aid be extended to big State projects designed primarily to take water to cities and industries was commended here yesterday by Samuel B. Morris, a Feather River Project Association vice president.

"The effect of ENGLE's proposal, it was indicated, would be that the Federal Government, now limited to aid for or building of projects in which flood control and irrigation of farms is paramount, could help the Feather River project.

"In other words, the Government would put up the cash for flood control and provide interest-free loans for the important irrigation aspects of this big project which mainly is concerned with serving big growing cities.

"Major step

"Morris, now a consulting engineer, retired Los Angeles Department of Water and Power general manager, said of ENGLE's proposal: "This is a major step in encouraging local initiative to undertake large multipurpose projects such as the Feather River project.

"Instead of depending on Uncle Sam to do these jobs, California and other States can take the leadership to solve their own problems, where the major interest is domestic and industrial water supply.

"This could be done with assurance that they would get the same degree of financial support for other purposes, such as flood control and irrigation, that would be given a strictly Federal project.

"Lower rates

"The result would be more economical construction and lower water rates for users."

"ENGLE, a Democrat, from Red Bluff, is chairman of the important House Interior Committee.

"He made his proposal to Assemblyman Carley Porter, of Compton, chairman of a subcommittee of the legislature's joint interim committee on State water problems.

"ENGLE suggested that this committee and a House group hold hearings this fall on financing the \$11,500 million California water plan, of which the Feather River project would be the backbone."

"[From the Los Angeles Times, Aug. 14, 1957]

"WATER DISTRICT OFFICIALS BACK ENGLE'S PLAN

"Officials of the metropolitan water district yesterday joined the Los Angeles Water and Power Department in praising a proposal by Representative CLAIR ENGLE that the Federal Government help pay for, but not control, large municipal and domestic water projects.

"Joseph Jensen, chairman of the metropolitan water district board of directors, said ENGLE's suggestion 'should go far to advance Federal-State partnership on a fair and sound basis.'

"ENGLE had suggested, in a letter to Assemblyman Carley Porter, that the Federal Government should remove its ban on financial aid for water projects other than flood control and irrigation works. 'Then,' ENGLE said, 'the Government could help pay for domestic and municipal water projects but control of the works would remain with the State.'

"Samuel B. Morris, former general manager and now consultant with the Los Angeles Water and Power Department, already had said ENGLE's suggestion for Federal grants would tremendously increase prospects for a Feather River project to bring water to southern California from the North."

[From the Los Angeles Times, Aug. 15, 1957]

"ENGLE'S WATER AID IDEA GAINS FAVOR—PROPOSAL FOR NEW TYPE FEDERAL HELP ON PROJECTS WINS FEATHER RIVER GROUP O.K.

"(By Ed Ainsworth)

"Additional support, on a statewide basis, was given yesterday to a proposal by Representative CLAIR ENGLE, of California, for a new type of Federal financial aid to State water projects for domestic and industrial use.

"The Feather River Association, made up of members all over the State, endorsed the ENGLE suggestion as being in line with its own recently adopted policy statement on water project financing.

Word on approval

"Grover C. Shannon, of Yuba City, president of the Feather River Association, made the announcement approving the Engle plan. It already had been approved by Samuel B. Morris, consultant of the Los Angeles Water and Power Department, and by the Metropolitan Water District of Southern California.

"Representative ENGLE, chairman of the House Interior and Insular Affairs Committee, proposed early this week that Federal grants and loans be made on domestic and industrial water projects, with no strings attached."

[From the Los Angeles Herald-Express of Aug. 14, 1957]

"FEATHER RIVER PLAN AID

"New hope is raised for the planned construction of the giant Feather River project which would bring irrigation, domestic, and industrial water to Los Angeles and other sections of southern California by announcement by Congressman CLAIR ENGLE of proposed new Federal legislation.

"Congressman ENGLE, California Democrat, who is chairman of the House Interior and Insular Affairs Committee, is proposing legislation under which the Federal Government would advance interest-free loans for projects in which the principal purpose is to provide municipal and industrial water supplies.

"If this legislation is passed, it could mean that the funds required would be provided by the Federal Government and the State would carry out the construction and operation.

"Thus one of the biggest hurdles which has faced the Feather River project, obtaining the necessary funds, would be surmounted.

"The other principal obstacle, of course, is lack of agreement of the California Legislature on proposed constitutional amendments determining the rights of northern California 'counties of origin' and southern California counties to the flow of water from the Feather River.

"Southern Californians interested in the future of this end of the State, where the growing water needs of an ever-increasing population are of vital importance, should immediately write to their Congressmen and Senators in Washington requesting that they

join forces in helping Congressman ENGLE in his campaign for the proposed legislation.

"Samuel B. Morris, nationally known consulting engineer, retired former general manager of the Los Angeles Department of Water and Power and now a vice president of the Feather River Project Association, assesses the new proposal as follows:

"This is a major step in encouraging local initiative to undertake large multipurpose water projects such as the Feather River project.

"Instead of depending upon Uncle Sam to do these jobs, California and other States can take the leadership to solve their own problems, where the major interest is domestic and industrial water supply, with assurance that they would get the same degree of financial support for other purposes that would be given a strictly Federal project.

"The result should be more economical construction costs and lower rates to water users."

"[From the Sacramento Bee of Aug. 16, 1957]

"ENGLE PLAN WOULD AID NEEDED WATER PROJECTS

"Congressman CLAIR ENGLE of the Second California District suggests a new concept of Federal-State cooperation in water resources development which merits the most careful study.

"He proposes the Federal Government be authorized to make financial contributions to State projects which are designed primarily to provide water for domestic and industrial purposes.

"Historically the Federal Government's role has been confined to irrigation undertakings in order to bring the semiarid lands of the West into useful production.

"ENGLE's plan recognizes that, because of the amazing population growth and the shift to an industrial economy, the development of domestic and industrial water supplies is of vital importance to California.

"The requirement for an irrigation supply, of course, will persist. And the Federal Government should and under the Engle plan would continue its part in financing such projects as San Luis and the Auburn Dam.

"But certainly the Federal Government's responsibility is no less in seeing that cities and towns have enough water.

"The difficulty is that the cost of providing such supplies often is prohibitive to the local governments, especially when the sources of water are far removed from the centers of population.

"Under ENGLE's proposal, for projects whose primary purpose is a domestic and industrial water supply, Congress would make outright grants for flood control, which is a traditional responsibility of the Federal Government. It also would make interest-free loans for irrigation, as presently is the practice.

"The States would finance the dams and incidental hydroelectric installations.

"The plan appears to be sound and represents an equitable division of the cost. It would enable States to go ahead with projects which they presently cannot finance. It would represent the highest order of partnership which the Eisenhower administration professes to support.

"Moreover, it is a plan which easily would be expanded to aid eastern localities where the problem is not one of irrigation but of domestic water supplies and should appeal to Congressmen from beyond the 100th meridian whose interest in western reclamation often has been remote."

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Mr. President, I rise only to point out to my colleagues—the Senator from Illinois [Mr. DOUGLAS],

the Senator from Oregon [Mr. MORSE], and other Senators—who have raised a vital question concerning the reclamation issue in connection with the irrigated land, that their arguments have not gone unnoticed. Sometimes I believe that those who stand to do the fighting and the battling for established public policy reach the conclusion that their arguments are being listened to by only a few, and perhaps not too attentively at that. I wish the Senator from Illinois to know that I had very serious doubts as to how I would vote in reference to the San Luis unit, because there are grave problems involved respecting the relationships between Federal and State Governments. Nevertheless, no matter what those doubts are, it seems to me that if we are to amend the basic public policy of the Nation prescribing a 160-acre limitation for one person, or 320 acres for a man and his wife, it is something that ought to be done *de novo*, on its own. It is something that ought to be considered in terms of overall policy, rather than in terms of specific project units.

I imagine arguments could be advanced to the effect that there have been attempts to lift the limitation in other instances.

Mr. DOUGLAS. There have been some clearly unwise exemptions, in Texas, I think. But, generally, the limitation has been lifted in connection with high altitude projects, which probably should never have been started in the first place, because of the short growing season, and where it is probable, because the crops are of low value, that 160 acres will not produce an adequate living.

So a case could be made for lifting the limitation in high altitude areas such as are found in the Rocky Mountains. But we know there is no justification for lifting the limitation in the Central Valley of California, which is probably the richest agricultural area, potentially, in the United States. Here, if any place, the 160-acre limitation should be safeguarded; and, indeed, a more restrictive limitation might be needed.

Mr. HUMPHREY. I was about to say to the Senator that a reexamination of the 160-acre limitation is something which, if it is to be made at all, needs to be done not on a particular project, but in terms of the broad areas of the Nation that would be affected, such as high altitude areas, which the Senator has just mentioned, or areas where there is less fertility, but where we have some idea of what the fertility of the soil can be and will be.

I regret that section 6(a) is in the bill, because otherwise I think there would be no doubt about the importance of the passage of the bill. In fact, I would support the passage of the bill. I am hopeful section 6(a) can either be modified, so as not to upset the established pattern of the 160-acre limitation, or that it can be removed entirely.

I understand the pending amendment of the Senator is to strike that section from the bill.

Mr. DOUGLAS. That is the amendment of the Senators from Oregon and the Senator from Illinois.

Mr. HUMPHREY. On that basis, the matter of the relationships between the Federal and State Governments and land owners would be left to the courts to be determined. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. That is a process which would probably lend itself to a more equitable settlement than would be obtained from a legislative settlement on a particular project. It does not foreclose the possibility of some adjustment by State legislative power over certain lands. Am I correct in that statement?

Mr. DOUGLAS. That is the point on which the junior Senator from California [Mr. ENGLE] touched earlier this afternoon, which I promised to deal with at a later hour.

The Senator from Minnesota, with his usually keen mind, has put his finger on a very difficult and controversial point. Let me state the situation in this way: The inclusion of section 6(a) makes it perfectly clear, I think, that the 160-acre limitation will not apply in the so-called added acreage over and above, or outside of, the initial acreage to be irrigated by water impounded in what are admitted to be exclusively Federal projects.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. It is our contention that the additional irrigation of 500,000 acres would be carried out on projects, a long list of which I have given, in many of which Federal funds only have been spent, and in others of which Federal money and State money would be commingled, and that the water would be commingled. Furthermore, we say that if the added acreage is exempt from the operation of Federal law as section 6(a) would exempt it, then, in the absence of State law, the sky would be the limit.

I should like to have the attention of the Senator from California when I make this statement. It is my understanding that there is no acreage limitation at present under California State law.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. I desire to read, for the benefit of the distinguished Senator from Illinois and the distinguished Senator from Minnesota, the telegram which I received from Governor Brown, of California. This is what he said:

I am convinced that the Federal reclamation laws do and will apply to all Federal facilities and service areas of the San Luis project.

There is no doubt about it.

I resume reading the telegram:

In addition, with or without the language contained in section 6(a) under S. 44, the Federal reclamation laws do not and, in my view, should not apply to the State facilities and State service areas of the project. I am, and I believe that the California Legislature also is, opposed to any unjust enrichment or monopolization of benefits by owners of large land holdings as a result of either Federal or State operation.

However, I feel that the handling of this matter, insofar as State activities are concerned in relation to this project or other

State construction, should come as a result of State legislation. I intend, at an appropriate time and before contracts are executed, to take this matter up with the California Legislature in order to preclude the undesirable results which I have described, but I firmly believe that this matter should not delay either Federal or State authorization or construction.

If I may proceed for a moment, what the Governor is saying is that there are going to be two separate service areas, Federal and State. The waters are commingled behind a single dam. That fact is what troubles my friend from Illinois. But on that dam the State of California pays its full share when the water goes into a ditch under Federal law and under the 160-acre limitation.

When and if the State undertakes the second step and impounds the 100 million acre-feet, when the water goes into the ditches and to those areas to be served by State works, the State legislature, under the leadership of Governor Brown, will arrange for appropriate legislation to see that there is no unjust enrichment, because of a subsidy from the Federal taxpayers, going to those lands.

The bill, in section 6(a), state affirmatively that the Federal reclamation laws shall not apply to State service areas. I have said to the Senator from Illinois, and I have repeated day after day, that that language is surplusage. The amendment is to strike that language. What does an amendment do that strikes surplusage? Nothing. With or without that language, Federal reclamation law cannot apply to State service areas. The Senator from Illinois says that if we strike that language we will automatically apply Federal reclamation law to State service areas. I do not believe it, Governor Brown does not believe it, and I do not think the Senator from Oregon [Mr. MORSE] believes it.

Mr. DOUGLAS. I should like to reply to my good friend from California.

In the first place, as Senators will notice, the telegram from Governor Brown says in effect, "We do not now have any State law placing any limitation upon the acreage which can be served by 'State water' but I hope we will have. I intend to propose a law in the future. I oppose land monopolization. I hope the project will go ahead, and if it does, then to preclude the undesirable results of land monopoly, I will propose a law." I have paraphrased his message.

It is one thing for a Governor to propose, and it is another thing for a legislature to carry out the proposal.

My friends from California became indignant the other day when I reminded them of some of the facts about the California Legislature. I think the people of California are as good as the people of any other State, but the fact is that the Legislature of California is gerrymandered so that a few mountain counties control the Senate. The great county of Los Angeles, with 7 million people, I believe has only the State Senator. The San Francisco Bay area, the other great population area of California, is grossly underrepresented. The mountain counties have been manipu-

lated in the past, as we all know, by lobbyists for the special interests of California.

I am happy to say I think there has been an improvement in the California Legislature. A Republican Legislature has been replaced by a legislature largely Democratic. The forces of reform have therefore been greatly strengthened. But upon occasion there are a few black sheep—not many, but a few—and powerful groups can often induce a few black sheep to join the unregenerated black sheep, to make up a majority. The opposition can pick off a few of our men and get a majority.

Frankly, this is what I am afraid of. I think the Governor of California and the junior Senator from California should be afraid of it, also. I think what the Governor of California and the junior Senator from California are doing, in effect, is indulging in the well-known California real estate practice of selling us hope. Hope is a beautiful quality, but it is not a substitute for solid protection.

The point is that California has no State law on the matter. If we should sweep away the defenses of the Federal law as section 6(a) does, until a State law were passed, there would be no limitation. One can imagine the way the large landowners would go to town, get their subsidies, and refuse to split up their land.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Did I correctly understand the distinguished junior Senator from California to say he felt that section 6(a) in this bill was so much surplus and therefore was not necessary?

Mr. ENGLE. To use a legal term, we call it surplusage.

Mr. HUMPHREY. Yes.

Mr. ENGLE. The distinguished Senator from Illinois has disagreed on this floor with respect to the impact of the language. I say that the language in section 6(a) is surplusage. The Governor of California in his telegram agrees that the language is surplusage.

I am sure the Senator from Oregon [Mr. MORSE], who is a fine lawyer, agrees with me that simply stating what the law is would not change the law and would not make applicable something not otherwise applicable. Removing the language from the bill will not have the effect the Senator from Illinois says it will have.

Mr. HUMPHREY. If the language is eliminated from the bill it will, of course, leave the restriction on Federal lands untouched. If the language is stricken from the bill the law will remain as it is.

Mr. ENGLE. The Senator is correct. The 160-acre limitation will apply like a straitjacket to every acre of federally serviced land.

Mr. HUMPHREY. Is it the interpretation of the Senator from California that the dispute over the commingled water—and this is a new type of commingling—is a dispute which is for the courts to determine rather than for the

legislative body to determine. Is that the interpretation?

Mr. ENGLE. It has been said that the matter would be taken to court, but it ought to be handled by the legislature if there is any doubt about it. In any case, it ought to be handled, with reference to the State service area, by the State government and by the State legislature. I am referring to those elements of the project built completely by the State, as to which every dime of investment will be handled by the State government. It is the intent to do exactly that.

Mr. DOUGLAS. Mr. President, if the State wants to adopt its own acreage limitation, that will be fine. Let the State do so first, however, and then let it come back to us.

Let us not destroy the Federal land policy now, before the State acts, on the basis of hope. Let us not do that.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Not at this time. I should like to continue for a minute.

Mr. ENGLE. I would be delighted to comment.

Mr. DOUGLAS. I know my good friend from California, like the rest of us, sometimes in the heat of debate, says things he does not wish fully to stand on later. I do not want to hold my friend to his statements too rigidly.

Mr. ENGLE. I do not want to retract anything. I merely want to embellish the statements.

Mr. DOUGLAS. In a colloquy held on May 7, 1959, among the Senator from California, the Senator from Illinois, and the Senator from Oregon, when we were dealing with the question of section 6(a), the Senator from California [Mr. ENGLE] said:

I will be glad to have the matter settled right here and thus abate the rumpus a little.

And the Senator from Oregon [Mr. MORSE] said:

I understand the Senator is willing to have the matter settled here. That is, I must say, an admission on the Senator's part of how sound the senior Senator from Illinois is in the amendment which he has offered, because he then points out that it does make a difference whether the section is in or out of the bill.

We hoped, when the junior Senator from California uttered those words, that he would be willing to have section 6(a) stricken from the bill, that he recognized that it did make a difference. Very frankly, we have been prolonging this debate not only to produce additional evidence, but also to let the better nature of the junior Senator from California assert itself, and to lead him to agree to eliminate section 6(a) of the bill.

Day after day has gone by, and although we hoped we might get a telephone call or a visit from the junior Senator from California or from the senior Senator from California, to announce that they were willing to back up, they seem to be held somehow, in some way, in a bind, and they cannot do it.

I think we should offer an opportunity for the better natures of the Sena-

tors from California to continue to work, because we know that they do have better natures and very strong better natures. We think they should be given an opportunity to operate.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield to the senior Senator from North Dakota, one of the best fighters for the underdog the Senate has ever had.

Mr. LANGER. I thank the Senator very much.

Do I correctly understand the Senator's position to be that we should not pass the bill until the California Legislature has acted?

Mr. DOUGLAS. The Senator is correct.

Mr. LANGER. Is that the entire position?

Mr. DOUGLAS. Or we should strike section 6(a) from the bill, if we act in the absence of some desirable land policy adopted by that legislature.

Mr. LANGER. That is what I referred to. We should delete section 6(a).

Mr. DOUGLAS. That is correct. We should delete section 6(a). Then if the California Legislature wants to enact a decent acreage limitation, which will meet the Federal standards, we should consider it.

I think the California Legislature could introduce a really desirable principle, by providing limitation of less than 160 acres. If the junior Senator from California were to appear before the California Legislature, the legislature would be willing, possibly, to adopt a 60-acre limitation, if it were made a political issue in the State of California.

Mr. LANGER. Mr. President, when we passed the homestead law, with respect to the rich land in the Red River Valley—an area familiar to the Senator from Minnesota [Mr. HUMPHREY], and where I live, an area which the Senator from Illinois also knows so well—we placed in the law a limitation of 160 acres, which has worked out very well. We have provided a 160-acre limitation for irrigated land for many years. We have had the law, and have abided by it. It seems strange that we should be asked to proceed to amend the law without having the committee thoroughly analyze the matter. That should be done before the Senate is asked to vote on the matter.

Mr. DOUGLAS. Mr. President, I am very glad the Senator from North Dakota spoke as he did. It does not surprise me in the slightest. The Senator from North Dakota is sometimes misunderstood in the country, but if one examines his record one will find the Senator from North Dakota has always been consistent in favor of a broad democratization of property in this country, a wide distribution of property and power, so that no one will have enough power to oppress others, but everyone will have enough power to protect himself.

He has always realized the vital connection between agrarian democracy and industrial and political democracy. The stand which he takes with respect to the 160-acre limitation is thoroughly in keeping with his entire public record.

As Senator after Senator takes the floor and testifies in behalf of this principle, I hope the Senators from California will change their position and accept the amendment to eliminate section 6(a) which so gravely endangers that principle of agrarian democracy.

While some of us are willing to waive our sectional interest and vote for the expenditure of huge Federal sums if the Valley is democratized, we are not for granting huge subsidies to a relatively limited group; and if section 6(a) is retained in the bill, we shall fight the bill. Not only will we fight the bill, but there are others who will fight the bill for other reasons.

For example, the Senator from Georgia [Mr. RUSSELL] thought he had won a great victory last Thursday when he was successful in obtaining the adoption of the amendment which provided that, on land newly irrigated by this project, water would not be furnished for the production of crops which were in surplus, and for which Government subsidies were paid.

I am sure the Senator from Georgia thought he had therefore protected the cotton-producing States from the growing of additional cotton. Senators from wheat-producing States probably felt that they were protected against the growing of additional wheat in other States.

But I am afraid the Senator from Georgia was sold a false bill of goods, because if we read that amendment, we see that it merely provides that, on newly irrigated land, such crops would not be raised. The realities of the situation are that in the last year for which we have a record, some 273,000 of the initial block of approximately 440,000 acres were irrigated from underground waters, and from local water supplies, and in other years additional acres had been irrigated.

So those lands would not be newly irrigated. If we turn to the feasibility report, on page 6 we find the statement from the Department of the Interior, Bureau of Reclamation, that more than 400,000 acres have been developed for irrigation, but the water supply is inadequate to irrigate it all in any one year. In 1950, about 273,000 acres were irrigated. Of this, grain occupied 162,000 acres, and cotton 73,000 acres. The remainder was devoted to forage, truck, and miscellaneous field crops. The non-irrigated areas in 1950 included 12,000 acres of grain and 64,000 acres of native pasture.

The point is that the Senator from Georgia obtained exclusion from the receipts and of water of only the 76,000 acres, and he did not obtain exclusion of whatever part of the more than 400,000 acres which have been developed for irrigation might be used to produce the basic crops in surplus.

What will happen? Additional water will be placed on those lands. They will be irrigated not merely every other year, but every year. More water will be put on this land than can be put on it at present. The crops of cotton and wheat on such lands will increase, and those crops will enter into competition with

the Southern States and the Midwestern States.

I am not going to raise this point as an objection to the plan from my standpoint because, as I have said, I am trying to consider the national interest. But I believe there will be many Members of this body who will not wish to bring into competition with the cotton-producing States of the South and the wheat-producing States of the Northwest and the trans-Missouri area, additional supplies of cotton and wheat.

If section 6(a) is in the bill, our friends from California may find that those of us who object to section 6(a) and those who will object to the bill itself because of increased production of crops already in surplus, may have sufficient strength to defeat the bill.

Therefore, once again I urge the Senators from California to think of the interests of their State, and not tie themselves to the chariot—or to the trucks, if I may use a modern analogy—of the big landowners. I ask them not to come into this Chamber shackled with the chains of the Southern Pacific Land Co., the Boston Ranch Co., the Kern County Land Co., the Standard Oil Co., the other oil companies, and other large landowners in this area.

I am not making any threat, because that would be unbecoming a Senator, but I wish to point out the realities of the situation. If our California friends insist on holding onto section 6(a), they may defeat the whole measure.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to my distinguished friend from California.

Mr. ENGLE. With reference to the Senator's argument respecting the limitation on cotton and other subsidized crops, I am glad the Senator has called attention to what may be an ambiguity in that section, although what was intended by the section is subject to interpretation. I am sure the Senator from Georgia, when he offered the amendment which was adopted, meant to say that the level of price-supported crops in the federally serviced area should not increase by reason of this project being brought into existence.

When we use the words "newly irrigated lands"—

Mr. DOUGLAS. They represent only 76,000 acres.

Mr. ENGLE. That would be true if we construed "newly irrigated lands" to mean lands on which this water is not being placed, but which were otherwise irrigated. I think the language is subject to the interpretation we intended, namely, that the expression "newly irrigated lands" means simply newly irrigated from this project, whether or not there was an original or supplemental supply of water.

I am glad to give the assurance that if that language is not clear, and if what we intend to do is not clear, with the help and concurrence of the distinguished Senator from Illinois, we will take care of the situation.

Mr. DOUGLAS. The Senator cannot depend upon me to improve that language.

The point is that, of the 440,000 acres in the Federal service area, 400,000 have been developed for irrigation and only 76,000 are not irrigated.

The Russell amendment merely bars the growing of surplus crops on the newly irrigated areas, or on the 76,000 acres. It does not bar production on the 440,000 acres. Application of more water to the 400,000 acres would increase the quantity of cotton and wheat, and therefore depress the price of cotton and wheat which the farmers of the South and the Midwest would receive. It would result in the payment of subsidies to the big landowners. Some of the landowners in this area are already recipients of the biggest cotton subsidies in the country.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I should like to ask the distinguished Senator from Illinois how this bill—and I am speaking of the entire bill—can be in the national interest at a time when we have a vast overproduction of farm commodities, when our Committee on Agriculture and Forestry is deeply concerned over the tremendous wheat surpluses, when we are working very hard to develop some way of limiting farm production, when our present farm program is immensely costly to the American taxpayers, and when, because of the technological explosion of farm production, we have a very serious farm income situation. How can a Senator such as I, from Wisconsin, which is the No. 1 alfalfa-producing State in the country, support a bill which, as shown in the Record of last Thursday, on the basis of remarks of the junior and senior Senators from California, would vastly increase the production of alfalfa?

It seems to me that this is going to be in competition with the farmers of my State; it is true to some extent in indirect competition, but also in direct competition. I would say that for fruit farmers throughout the country it would have a depressing and adverse effect.

I believe that a project such as this, which costs \$290 million in additional Federal authorization—am I correct in that figure?

Mr. DOUGLAS. We have already spent in this Central Valley area approximately \$630 million. Another \$230 million has been authorized and probably will be appropriated.

The pending bill authorizes a further \$290 million. There is the prospect in the offing of \$190 million on top of that for distribution works, and appropriations are authorized for those. It looks as though the project will call in the aggregate for the expenditure of \$1,300 million of Federal money. Therefore there is an enormous amount of Federal money involved.

I do not blame the Senator from Wisconsin for balking at this proposal. I almost have had to hold my nose and swallow hard to take in and accept such a project as this. I did so because I have traveled through the valley. It is

literally one of the wonderlands of this Nation, lying, as it does, between the coast range and the Sierras. It may well be that at some time in the future, with a teeming population, we shall need this land. The acreage yields will be very high.

Therefore I am ready to waive, with a great deal of reluctance, my own personal doubt, and probably I am a little more ready to waive the immediate interests of my State and of our farmers because we do not produce much wheat or alfalfa. Our main crops are soybeans and corn. Therefore I do not believe we would be injured too much. If we were more seriously injured, perhaps I would feel impelled to take a different position. However, I do not blame the Senator from Wisconsin for opposing the measure.

As the debate proceeds, and the longer the Senators from California try to protect the large landowners, there will be more Senators rising on the floor of the Senate to oppose any further appropriation for this valley.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. PROXMIRE. I would agree that a project of this kind, which might very well increase our national bounty and the productivity of our soil, would be someday in the long-range national interest. However, I believe it is a matter of timing. It might be in the national interest, not in this year, but perhaps in 10 or 15 years from now, when we might well have a different situation, when we might have a shortage. There is no foreseeable shortage today. There is an enormous overproduction. It would seem to me that to ask Senators to vote for an authorization of \$290 million of additional Federal funds in order to increase the production of food in the next few years is something which in all good conscience those of us who have any regard for economy, and who have any concern for the income of our farmers, would find extremely hard to justify to the people in our States.

Mr. DOUGLAS. I am delighted that the Senator from Wisconsin has taken his stand. From the standpoint of his State he is completely correct. He raises more doubt in my own mind. If he keeps up much longer, I shall vote against the bill even with section 6(a) eliminated. I hope, however, that we can get a democratization of the valley.

The Central Valley, the Imperial Valley, and sections of Texas contain the last principal refuges of agrarian feudalism in this country.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. ENGLE. The point made by the Senator from Wisconsin would be valid if we were starting de novo to bring in new areas of production. In other words, California is a great State. It has a population of 15 million. There will be somebody on this land, and there will be some farming going on there whether it is irrigated or nonirrigated land. As a consequence, there will be

agricultural production from this land in any case.

At the present time the wells go down from 600 to 2,000 feet. Necessarily the type of production which can be obtained from such a service area of some 500,000 acres is a very limited type. It falls into categories which come under supports. Whenever water is put on land the production tends to move from the production of crops which are supported into other crops. Let us take cotton, for example. We expect cotton production to decrease. We expect wheat production to decrease. They constitute two big problems with reference to subsidized agriculture. Two big problems, in agriculture, as we all know, are in the field of wheat and cotton. We expect the production of those commodities to decrease.

As a consequence, it is not a matter of dealing with what we might do de novo. The areas are there. By putting water on the land we can get a smaller ownership, as the Senator from Illinois wants. History has shown that every time water is put on land acreages owned by the individual grow smaller. In addition, production goes into row crops, and various other type of production, instead of cotton and wheat.

There is no production of corn, peanuts, or tobacco in those areas. Those three crops are a few of the main staples.

It is true that under the projected crop program in this area, alfalfa production would increase. However, California is having a hard time taking care of its own production in the field of alfalfa and all sorts of legumes.

The tendency at the present time is to enable American agriculture to pivot into areas which are not subsidized by the Federal Treasury, and to withdraw from the production of corn and cotton and peanuts and tobacco and wheat, and into areas of agriculture where high subsidies are not provided. That is what this kind of project will do. I realize that the Senator from Wisconsin has been attending hearings dealing with the wheat problem, and I know that some of our other colleagues have also.

The purpose is to reduce the production of subsidized crops. For instance, in this area there are some 162,400 acres in grains of one type or another, and, in addition to that, other types of forage crops are in production there. The way to reduce that production is to get the land irrigated and in that way make it possible to grow row crops. In that way it would be possible to support the local population through the production of such crops, and get away from the subsidized crops.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield at this point so that I may reply to the Senator from California?

Mr. DOUGLAS. I yield.

Mr. PROXMIRE. I believe the Senator from California makes the very best of a difficult case. What I am concerned about is the effect the proposed type of irrigation will have on commodities which are not basic commodities. Of course, I am concerned with dairy prod-

ucts also, because there is a clear connection between the production of alfalfa and the production of milk.

I am also concerned with the production of vegetables. Wisconsin is the No. 1 State with regard to the production of some vegetables. I am also concerned with fruit, because we are getting into a situation where we will have to change our basic farm program, and to the point where many competent agricultural economists believe that we should either support no farm commodities or all of them.

If we are to have a vast expansion of the production of a number of farm commodities which are now not supported, we might very well come into the position where the production will be such that prices will drop sharply, and where there will be an understandable demand for the reduction of the production of such commodities.

Therefore, any proposal that we should take \$290 million out of the Federal Treasury in order to increase farm production is one for which it is extremely hard for any Senator to vote, even though the production is not of those crops which now happen to be basic crops and on which production is limited.

Mr. ENGLE. I would not want the Senator to think that we are proposing to increase production. What we are expecting is a change in the nature of the production. The land will not stay idle. It cannot stay idle. The owners of the land are going to produce crops. The thing to do is to get the land into the kind of production that is least likely to be subsidized by the Federal Government. We are moving in that direction with this kind of project.

Mr. PROXMIRE. Is it the Senator's view that the increase in the irrigation of the land, either of the presently irrigated acres or the acres which are now irrigated every other year, will not increase the production of farm commodities?

Mr. ENGLE. I believe it will create a greater income for the area. It would have to do so, in order to pay for the project. But I think that in terms of subsidized crops, it will, for all practical purposes, move such crops out of that area—that is, subsidized crops as we know them today.

Mr. PROXMIRE. But because there is land substitution, and as the production of melons and other fruits and vegetables becomes more intense, and the price drops, it seems to me there will be a substitution of land for such production, and the land use to produce those commodities will be transferred into the production of other commodities which are in surplus.

The whole farm problem is so intertwined and so interdependent that it seems to me that if production is greatly expanded in any field, it will have serious and substantial consequences and effects in other fields.

Mr. ENGLE. California is having a very difficult time in retaining enough land on which to grow sufficient food to provide for the people who live immediately adjacent to the farm area.

Orchards have been pulled out by the hundreds of acres in Southern California to make way for the building of houses. The same thing has happened in the Santa Clara Valley. Beautiful prune orchards have been pulled out, and the land subdivided for building purposes. So far as the production of those crops is concerned, California is actually running out of land.

That is why I was particularly willing to have the Senator from Georgia [Mr. RUSSELL] offer his amendment, which provides that there cannot be any increase in the production of the basic crops. Otherwise, this kind of project does not make sense. That is the way we intend it.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield, so that I may propound a question to the Senator from California?

Mr. DOUGLAS. I yield for that purpose.

Mr. CARROLL. How long will it take to build this project?

Mr. ENGLE. I assume about 5 years.

Mr. CARROLL. What has been the increase in population in California within the past year or 2 years?

Mr. ENGLE. California has been gaining population at the rate of almost one congressional seat a year. After the next apportionment, there will be seven new seats. So the population increase is on the order of 500,000 a year.

Mr. CARROLL. Has there been any estimate of the population increase for California in the next 5 years?

Mr. ENGLE. I assume it will be on the order of 2,500,000. The present population is somewhat in excess of 15 million, according to the best estimate.

Mr. CARROLL. I apologize for interrupting. I was not in the committee when this project came before it. I was not a member of the subcommittee.

Is the water to be only for irrigated lands, or is it contemplated that the water will be used for the vast population coming into California? Will it be for domestic or metropolitan use?

Mr. ENGLE. There is not a large amount of this water which will be used for municipal and domestic purposes. The major purpose of the Federal part of the project is to take care of what I explained to the Senator from Wisconsin [Mr. PROXMIER]: transferring this land from the production of cotton and wheat, primarily, into the production of row crops—vegetables, melons, and the like—which supply the local population.

Mr. CARROLL. It seems to me that it will be a joint project.

Mr. ENGLE. Yes. The State project, incidentally, which is to supplement this project, is almost entirely for municipal and domestic use.

Mr. DOUGLAS. I congratulate the Senator from Colorado for putting his finger on the decisive factor, that this is a joint project. It is exclusively Federal to begin with; and then it will have joint use facilities in the later developments.

This is the issue: If section 6(a) is eliminated, then on the second area which is brought under cultivation, in default of State action there will be no

acreage limitation. The Federal protection will be swept aside, and the big landowners can go rolling through. The California Legislature will be the only group which can stop them.

Should we abandon Federal protection with the hope that the California Legislature will later act, particularly in view of the fact that the Senate of the California Legislature is grossly gerrymandered?

I understand that the Senators from California winced last week when I mentioned the control which Mr. Arthur Samish exercised over the legislature in the past. I may say that while there has been a big improvement in California in the election of more Democratic, liberal, and progressive State legislators, in view of the past record we are not justified in depending upon the frail reed of State action. What is likely to happen is that there will be no defense, and the big landowners will now take over.

If the large landowners take over in the second area, they will make it very difficult for the 160-acre limitation to be applied in the so-called Federal area, because the Federal area will be enclosed by a State area in which there are no limitations. It will be very difficult to maintain democracy inside the so-called Federal area when it is surrounded by feudalism in the exterior area. This point was well developed by the distinguished junior Senator from Oregon [Mr. NEUBERGER] in opening the debate on this subject last week.

But I also call attention to the fact, which is illustrated on the first map in the rear of the Chamber, that Southern Pacific Land Co., in its holdings in the area designated as Federal, has a checkerboard pattern. The usual practice was followed in the granting of these lands, namely, that 640 acres was granted to them in alternate sections, east and west, and then north and south, surrounding the one area which was not given to them. So if we look at the map, we find checkerboards in which the white areas, not owned by the Southern Pacific Land Co., are almost completely enclosed by red areas, which are owned by the Southern Pacific Land Co.

The Southern Pacific Land Co. has explicitly said it does not intend to sell its land. It has made that fact clear, again, again, and again. The details of their statements have been placed in the RECORD several times.

The continued control of the Southern Pacific Land Co., the Boston Ranch Co., and other companies within the Federal service area, will be reinforced if they are surrounded by areas in which the 160-acre limitation does not apply.

So, as a practical matter there is every likelihood that the big landowners within the so-called Federal area may be able to hold out and defeat the attempts to enforce the 160-acre limitation for their land, just as they have done on Pine Flats, where they have thus far forced the hand of the Secretary of the Interior and compelled him to give them the water without their subscribing to the acreage limitation.

In this connection, I call attention to the testimony of J. E. O'Neill before the Committee on Interior and Insular Affairs, and printed in the hearings from pages 88 to 96. Mr. O'Neill is president of Westlands Water District, and he testified to practically what I have stated.

The Senator from New Mexico [Mr. ANDERSON] asked him the question:

If you took that 65,000 acres out—left it out entirely—would that change the feasibility?

I do not know how it could be done, but would that change the feasibility of the project somewhat?

Mr. O'NEILL. Well, I don't know how it could be done, especially on the distribution system. Because they have alternate sections within our district.

Senator ANDERSON. Checkerboarded?

Mr. O'NEILL. Checkerboard; yes. And they make it very difficult and very expensive to the other lands to bypass Southern Pacific lands.

Mr. KUCHEL. Mr. President, will the Senator yield on that point?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. The Senator from Illinois understands, does he not, that under Federal reclamation law, when a project such as this one is authorized by Congress, the Secretary of the Interior is required in advance of construction to enter into contracts with the landowners—the farmers—in the area, so that there will be no question about the engineering and economic feasibility of the project? The Senator is aware of that requirement of the law, is he not?

Mr. DOUGLAS. That is the theory. But in practice, as the Senator from California well knows, in connection with the Pine Flats projects, local interests demand that not merely the retention dams, but also the distribution system be constructed first. Then later they say, "We will decide whether or not we want to take the water under the terms of Federal law."

In the case of Pine Flats—and Isabella Dam also, I believe—the big landowners said, "We do not want the water on those terms." But there the distribution system was; and, as things wound up, the big landowners are getting the water, but they have not split up the land holdings.

Mr. KUCHEL. Mr. President, if my friend were testifying in a court of law, that answer would be stricken as not responsive. I asked him whether he was acquainted with the fact that in advance of construction, the Secretary of the Interior is required to enter into contracts with the landowners of the district, to determine the feasibility of the project.

Mr. DOUGLAS. But he did not get such contracts with the Pine Flats owners.

Mr. KUCHEL. Was it built under the Federal reclamation law?

Mr. DOUGLAS. The Federal reclamation law applied to the lands irrigated by that project.

Mr. KUCHEL. Again my friend is not responsive, Mr. President.

Mr. DOUGLAS. Does Senator mean that I do not answer in the way he wants me to answer?

Mr. KUCHEL. No, Mr. President; my friend, the Senator from Illinois, is unacquainted with the history of my State's irrigation projects. When he refers to Pine Flats, let me tell him that Pine Flats had nothing to do with the reclamation laws of the Federal Government.

Mr. DOUGLAS. Let me say that I should like to have a chance to insert in the RECORD at a later point an opinion from the Attorney General which holds precisely to the contrary of the statement the Senator from California has just made. He has held that reclamation law does apply. I ask unanimous consent that that may be done, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, I have no objection at all. In fact, I hope the Senator from Illinois will do so, because I am acquainted with, and I have read, the opinion of the Attorney General. I merely wish to say to my able friend, the Senator from Illinois, that there is no relationship, in my opinion, between the problem the Senator from Illinois is discussing and the Pine Flats project. That is my opinion.

The PRESIDING OFFICER. Is there objection?

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 2, 1959.

Hon. PAUL H. DOUGLAS,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOUGLAS: In view of your interest in these matters, I am enclosing a copy of an opinion of the Attorney General of the United States dealing with the administration of the Flood Control Act of 1944 (58 Stat. 887), particularly as it relates to Pine Flat Reservoir, Kings River project, and to Isabella Reservoir, Kern River project, California.

As you will note in the opinion, it was rendered in response to a request by Secretary Seaton and an expression of interest on the part of the Department of the Army.

Sincerely yours,

ELMER F. BENNETT,
Under Secretary.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., December 15, 1958.
The Honorable THE SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in response to your request for my opinion with respect to a question arising in the administration of the Flood Control Act of 1944 (58 Stat. 887), particularly as it relates to the Isabella and Pine Flat Reservoir projects constructed pursuant to section 10 of the act (58 Stat. 891-892, 901). The Department of the Army has also expressed its interest in the question.

I am advised that the Isabella Reservoir project is a multiple-purpose dam and reservoir for flood control, irrigation and related purposes located on the Kern River northeast of the city of Bakersfield in California. The Pine Flat Reservoir project is a similar multiple-purpose dam and reservoir constructed in California on the Kings River east of the city of Fresno. It appears that all the necessary diversion works, canals and ditches for irrigation were constructed by the landowners in each vicinity prior to the construction of either the Isabella or Pine Flat project. However, in each case space in the dam not immediately required for flood control

purposes can be used for the conservation storage of water. Water so stored can be released for irrigation purposes merely by opening the outlet valves of the dam. While no facilities in addition to those presently constructed are needed to serve the purposes of irrigation, the reservoirs and dams store waters so that they can be released when needed rather than being dissipated by natural flow down the channels. Therefore in each case the project substantially improves the irrigation water supply.

Section 10 adopts and authorizes "to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers" specified "works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes." The works specified include the Isabella and Pine Flat projects. Section 8 of the act (58 Stat. 891, 43 U.S.C. 390) provides, subject to conditions contained therein, that when any such works may be utilized for irrigation purposes, "the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes." The section also provides that dams and reservoirs operated under the direction of the Secretary of War may be utilized for irrigation purposes only in conformity with its provisions.

The question originally presented was whether the Secretary of the Army or the Secretary of the Interior is responsible for contracting with respect to the disposition of irrigation benefits from dams and reservoirs constructed under the authority of section 10 where such benefits may be supplied without the construction of additional irrigation works. However, discussion with representatives of the Department of the Army and the Department of the Interior has disclosed that that question is of only incidental interest. The question of primary concern does not relate to which officer has the duty to contract on behalf of the Government in the circumstances, but rather whether the reclamation laws apply to any contract for the disposition of irrigation benefits which may be negotiated, irrespective of which officer has that duty. This opinion therefore treats only with that question. The question of contracting responsibility is discussed merely to the extent that it bears upon the applicability of the reclamation laws.

I conclude that even though no additional works need be constructed to make irrigation benefits available from the projects in question, the Flood Control Act of 1944 requires that the reclamation laws apply to any contract for the disposition of irrigation benefits made available from the Isabella and Pine Flat projects. In connection with this conclusion it should be noted that irrigation use is subject to regulation for flood control. In addition, under the reclamation laws rights to the use or distribution of water vested under State laws are not affected.¹

1. The provisions of the act: The question here involved turns upon sections 8 and 10 of the Flood Control Act of 1944. Section 8 provides:

"SEC. 8. Hereafter, whenever the Secretary of War² determines, upon recommendation by the Secretary of the Interior that any dam and reservoir project operated under the

direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 368, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws and after subsequent specific authorization of the Congress by an authorization act; and, within the limits of the water users' repayment ability such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing: *Provided*, That this section shall not apply to any dams or reservoir heretofore constructed in whole or in part by the Army Engineers, which provides conservation storage of water for irrigation purposes."

Standing alone, the first two sentences of the section relate only to such additional works in connection therewith as the Secretary of the Interior may deem necessary for irrigation purposes. Any impact which section 8 may have upon the question here considered must, therefore, turn upon the meaning of the first clause of the third sentence to the effect that "dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section."

It has been urged that this provision is limited by the conditions of the first two sentences to situations in which additional works are required. If so, section 8 would not necessarily require that the reclamation laws apply to situations such as the instant ones in which no additional works are required for irrigation purposes.

In addition, it may be contended that section 10 of the act implies that the reclamation laws are not intended to apply to the Pine Flat and Isabella projects. Section 10 provides:

"SEC. 10. That the following works of improvement for the benefit of navigation and the control of destructive flood waters and other purposes are hereby adopted and authorized in the interest of the national security and with a view toward providing an adequate reservoir of useful and worthy public works for the postwar construction program, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with the plans in the respective reports herein-after designated and subject to the conditions set forth therein."

The language of section 10 authorizing construction of the Isabella project is as follows:

"The project for the Isabella Reservoir on the Kern River for flood control and other purposes in the San Joaquin Valley, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated January 26, 1944, contained in House Document No. 513, 78th Congress, second session, at an estimated cost of \$6,800,000."

The report of the Chief of Engineers referred to in the section does not indicate whether the reclamation laws were intended to be applicable to the Isabella project. Rather, he appeared to recommend that the whole question be deferred pending further studies. His report stated:

¹ Sec. 3 of the Reclamation Act of 1902 (32 Stat. 390; 43 U.S.C. 383). See *United States v. Gerlach Live Stock Co.*, 339 U.S. 725.

² The title of the Secretary of War was changed to Secretary of the Army by sec. 205(a) of the National Security Act of 1947 (61 Stat. 495, 501; 5 U.S.C. 181-1(a)).

"The exact manner of use of the storage for irrigation purposes will be influenced by future developments in the area and must take cognizance of existing and future water rights established by State law and of the desires of the local interests owning such rights. Continuing studies by the Bureau of Reclamation, this Department, and the local organizations will establish the best plan of operation and appropriate cost allocations. Under these conditions it is considered appropriate that provision be made for the construction of the reservoir with Federal funds, and that after completion and when use thereof is made conservation interests be required to pay the United States for the beneficial use of the conservation capacity, either in lump sum or annual installments". (H. Doc. No. 513, 78th Cong., 2d sess., p. 6).

The Chief of Engineers further stated:

"Authority to construct should be understood to include authority to make modifications of the plans, to construct the reservoir at Federal cost, and to make arrangements for payment by the State or other responsible agency to the United States for the conservation storage when used" (ibid., pp. 6-7).

In its report on H.R. 4485, which was enacted as the Flood Control Act of 1944, House Committee on Flood Control stated with respect to the Isabella, or Kern River, project that it "believes that the interests of the Bureau of Reclamation are fully safeguarded by the cooperative procedures recommended by the Chief of Engineers in his report, which recommendations attain the force of law through adoption of the report in the bill" (H. Rept. No. 1309, 78th Cong., 2d sess., pp. 40-41).

The Pine Flat Reservoir project was authorized by the following language of section 10:

"The project for flood control and other purposes for the Kings River and Tulare Lake Basin, Calif., is hereby authorized substantially in accordance with the plans contained in House Document No. 630, 76th Congress, 3d session, with such modifications thereof as in the discretion of the Secretary of War and the Chief of Engineers may be advisable at an estimated cost of \$19,700,000: *Provided*, That the conditions of local cooperation specified in said document shall not apply: *Provided further*, That the Secretary of War shall make arrangements for payments to the United States by the State or other responsible agency, either in lump sum or annual installments, for conservation storage when used: *Provided further*, That the division of costs between flood control, and irrigation and other water uses shall be determined by the Secretary of War on the basis of continuing studies by the Bureau of Reclamation, the War Department, and the local organizations."

The Chief of Engineers made a somewhat more specific recommendation as to the principles to guide the disposition of irrigation benefits from the Pine Flat project than he had made with respect to the Isabella project. He stated:

"Since the flood-control and water-conservation benefits, estimated to accrue to the project, are substantially equal, I am of the opinion that the first cost of the reservoir should be charged one-half to flood control and one-half to water conservation. Under reclamation law the \$9,750,000 chargeable to water users would be repaid in 40 equal annual payments without interest, or at the rate of \$243,750 annually. This sum would carry the fixed charges, with interest rate of 3.5 percent and amortization in 40 years on \$5,210,000. I consider that this sum would be a fair charge to local interests for the conservation features of this multiple-purpose

project * * * (H. Doc. No. 630, 76th Cong., 3d sess., pp. 4-5).

This recommendation is apparently what was referred to in the proviso to the authorization of the project as "the conditions of local cooperation specified in" the Chief of Engineers report which "shall not apply." Instead, the second proviso directs "that the Secretary of War shall make arrangements for payment to the United States by the State or other responsible agency either in lump sum or annual installments, for conservation storage when used."

In view of the foregoing, it may be seen that section 10 expressly provides that the Secretary of War shall make arrangements for payment for conservation storage with respect to the Pine Flat project and appears to adopt the recommendation of the Chief of Engineers with respect to the Isabella project that authority to construct should include authority to make arrangements for payment for conservation storage. In addition, in the case of Pine Flat the section appears to reject a formula for repayment which the Chief of Engineers considered to be derived from "reclamation law." In the case of Isabella the grant of authority to the Secretary of War contemplates that it will be exercised in the light of future studies, but not necessarily in accordance with the reclamation laws.

From the foregoing it may be seen that the contention that the reclamation laws were not intended to apply to the Isabella and Pine Flat projects rests upon two bases: First, that section 8 does not apply to projects which do not require additional works in order to make irrigation benefits available; and, second, that the implication of section 10 is that the reclamation laws were not intended to apply to the two projects.

However, the interpretation of section 8 suggested above is subject to serious objection. Since the first two sentences of the section already deal with projects which require additional works for irrigation use, the view that the whole section applies only to such projects would make the third sentence redundant. It may, rather, be contended persuasively that the reference to "conformity with the provisions of this section" is intended to bring into play the basic provision of the first sentence, i.e., that the irrigation aspects of any dam and reservoir otherwise operated under the direction of the Secretary of War shall be "under the provisions of the Federal reclamation laws * * *." On balance I would be inclined to accept this interpretation. However, any doubt as to the meaning of section 8 and its inter-relationship with section 10 may, I believe, be resolved by reference to the legislative history (*United States v. Local 807* (315 U.S. 521, 528); *District of Columbia v. Murphy* (314 U.S. 441)). It also seems appropriate to test any implication which may be drawn from section 10 in the light of that history.

2. The legislative history: Beginning in 1939 there were substantial disputes relating to the projected dams and reservoirs on the Kern and Kings Rivers.³ Those disputes centered upon the interrelated questions whether these were essentially flood control or irrigation projects, whether the Bureau of Reclamation or the Corps of Engineers should construct them, and which agency should administer the reclamation benefits which the projects might provide. The disputed questions also related to the conditions of local cooperation and the applicability of the reclamation laws, particularly

³ See, e.g., hearings before the House Committee on Flood Control, 77th Cong., 1st sess., on H.R. 4911.

the "160-acre" and "antispeculative" provisions.

The issues came to a head in connection with three bills which were considered in the course of the 78th Congress. These were H.R. 4679, the Department of Interior Appropriation Act for the fiscal year ending June 30, 1945 (act of June 28, 1944; 58 Stat. 463), H.R. 3961, the rivers and harbors bill, and H.R. 4485 which was ultimately enacted as the Flood Control Act of 1944.

In connection with the Department of Interior appropriation bill, the House Appropriations Committee refused to approve a request for the sum of \$1 million for preliminary work on the construction of the Kings River (Isabella) project. It referred to information presented to it by representatives from the area and called attention to the fact that the House Committee on Flood Control was considering the project as a flood control project (H. Rept. No. 1395, 78th Cong., 2d sess., p. 14). The Senate Committee recommended restoration of the item because of objections to the repayment provisions recommended by the Chief of Engineers in House Document No. 630, 76th Congress, 3d session, discussed above, and because the Committee believed that section 46 of the Omnibus Adjustment Act of 1926 would not apply to the project if it were constructed by the Corps of Engineers (S. Rept. No. 899, 78th Cong., 2d sess., pp. 3-4). The item was again struck in conference (H. Rept. No. 1678, 78th Cong., 2d sess., pp. 1, 14) and the bill was enacted without that provision. This, however, was obviously merely a preliminary skirmish which was resolved in the light of the fact that the issue was being considered in other contexts.

In connection with consideration of H.R. 3961, the rivers and harbors bill, the House adopted a section 4 which would have made the excess-land provisions of the Federal reclamation laws inapplicable to lands which will receive a water supply from the Central Valley project, California, (90 CONGRESSIONAL RECORD, pp. 2765, 2921-2925). The Senate committee recommended elimination of section 4 as it passed the House and proposed the insertion instead of a provision somewhat similar to section 8 of the Flood Control Act as it was ultimately adopted (S. Rept. No. 903, 78th Cong., 2d sess., pp. 4-5; 90 CONGRESSIONAL RECORD, p.

⁴ Sec. 5 of the Reclamation Act of 1902 (32 Stat. 389, 43 U.S.C. 431) provides in part that "No right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any 1 landowner, and no such sale shall be made to any landowner unless he be an actual bona fide resident on such land, or occupant thereof residing in the neighborhood of said land, and no such right shall permanently attach until all payments therefor are made."

⁵ Section 46 of the Omnibus Adjustment Act of 1926 (44 Stat. 649, 43 U.S.C. 423e) provides in part that contracts made by the Secretary of the Interior with irrigation districts " * * * shall further provide that all irrigable land held in private ownership by any one owner in excess of 160 irrigable acres shall be appraised in a manner to be prescribed by the Secretary of the Interior and the sales prices thereof fixed by the Secretary on the basis of its actual bona fide value at the date of appraisal without reference to the proposed construction of the irrigation works; and that no such excess lands so held shall receive water from any project or division if the owners thereof shall refuse to execute valid recordable contracts for the sale of such lands under terms and conditions satisfactory to the Secretary of the Interior and at prices not to exceed those fixed by the Secretary of the Interior."

3676). However it differed from section 8 in that it expressly made the reclamation laws applicable to the irrigation uses of works constructed by the Army pursuant to the bill and did not require, as does section 8, specific authorization by the Congress for the construction of additional irrigation works. During the Senate discussion, Senator Overton, chairman of the Subcommittee of the Senate Committee on Commerce responsible for both the flood control and rivers and harbors bills, offered an amendment to section 4 of the latter bill to make it identical with section 8 of the flood control bill, indicating that the purpose of the change was to require specific congressional authorization for the construction of additional irrigation works (90 CONGRESSIONAL RECORD, pp. 8674-8675). He stated that the amendment met with the approval of the Department of the Interior (Ibid., 8675).

The third sentence of the Overton amendment was further amended on the floor of the Senate so as to make it read "in conformity with the Federal reclamation laws and the provisions of this section," thus, in substance, reinstituting the language of the original Senate committee amendment. Senator Hatch who offered the floor amendment stated "It merely emphasizes the first line, but it makes no change." Senator Overton stated, "it is wholly unnecessary, but there is no objection to it" (Ibid., 8875). As so amended the bill passed the Senate (Ibid., 9247, 9252).

However, the conference report recommended inclusion of both the Senate and House versions of section 4 (H. Rept. 2070, 78th Cong., 2d sess., pp. 1, 7). Because of Senate opposition to the House amendment (90 CONGRESSIONAL RECORD, pp. 9493-9500), the rivers and harbors bill failed of passage during that session of Congress. Early in 1945 the 79th Congress enacted a rivers and harbors bill (act of March 2, 1945, 59 Stat. 10) similar to H.R. 3961, but eliminating several items including the controversial section 4. See S. Rept. No. 63, 79th Cong., 1st sess., pp. 1-2; H. Rept. No. 63, 79th Cong., 1st sess., pp. 1-2; 91 CONGRESSIONAL RECORD, pp. 531-532, 1335, 1337.)

At the outset of any discussion of the legislative history of the Flood Control Act of 1944, it must be recognized that both the President and the Secretary of the Interior wished the Isabella and Pine Flat projects to be constructed by the Reclamation Bureau and operated under the reclamation laws.⁶ It is similarly clear that as enacted the Flood Control Act vested construction authority in the Corps of Engineers and to that extent failed to adopt the recommendations of the President and the Secretary of the Interior. This conclusion does not, however, dispose of the question whether the act intended the reclamation laws to apply to the irrigation aspects of the projects, as to which the history of section 8 and the various forms which it took is enlightening.

As introduced and as originally recommended by the House Committee on Flood Control, section 6 (which was later enacted as section 8) of H.R. 4485 provided:

"Hereafter, whenever in the opinion of the Secretary of War and the Chief of En-

gineers any dam and reservoir project operated under the direction of the Secretary of War can be consistently used for reclamation of arid lands, it shall be the duty of the Secretary of the Interior to prescribe regulations for the use of the storage available for such purpose, and the operation of any such project shall be in accordance with such regulations. Such rates, as the Secretary of the Interior may deem reasonable, shall be charged for the use of said stored water; the moneys received to be deposited into the Treasury to the credit of miscellaneous receipts."

Describing this provision the House committee stated:

"The construction of multiple-purpose reservoirs is in the public interest. Sound public policy requires not only that flood-control storage be under the supervision of the Secretary of War and the Chief of Engineers but also that storage for the reclamation of arid lands be under the supervision of the Secretary of the Interior.

"The committee recognizes that good administration demands that projects be built by the agency having the dominant interest with suitable provisions for safeguarding the interests of other agencies. Accordingly, the bill provides that whenever in the opinion of the Secretary of War and the Chief of Engineers any dam and reservoir project operated under the direction of the Secretary of War can be consistently used for reclamation of arid lands, it shall be the duty of the Secretary of the Interior to prescribe regulations for the use of the storage available for such purposes, and the operation of any such project shall be in accordance with such regulation. Such amounts as the Secretary of the Interior may deem reasonable shall be charged for the use of such stored water; the moneys received to be deposited into the Treasury to the credit of miscellaneous receipts" (H. Rept. No. 1309, 78th Cong., 2d sess., p. 8).

Thus at this point in the legislative development of the bill, section 10 provided that the Secretary of War would make arrangements for the payment of conservation storage of water with respect to the Isabella and Pine Flat projects and section 6, as recommended by the committee, would merely have authorized the Secretary of the Interior to prescribe regulations for such use of the stored water. The Secretary of War was to be guided in the exercise of his authority by the regulations issued by the Secretary of the Interior. However, the bill was silent as to whether those regulations were to constitute an application of the reclamation laws, were to be issued without regard to those laws, or whether their applicability was to be left to the Secretary of the Interior's discretion.

The further history of the bill on the floor of the House of Representatives throws light on these questions. Chairman Whittington proposed three amendments which were adopted by the House and which emphasized the applicability of the reclamation laws (90 CONGRESSIONAL RECORD 4204). The first amendment was to replace the phrase "stored water" in section 6 with the word "storage." Mr. Whittington's explanation of the amendment was as follows:

"The section under consideration provides that where there is water for reclamation of arid lands in any reservoir and provision therefor that the distribution of the water shall be by the Secretary of the Interior, the Director of Reclamation will handle the distribution; there was a criticism that this language, which is substantially the reclamation law, undertook to change existing law and required the beneficiaries of reclamation to pay for water. This language in here is the language of the Reclamation Act and they pay only for storage."

The second amendment was to insert the words "Under existing reclamation law" after

the authority conferred upon the Secretary of the Interior by section 6 to prescribe regulations for the use of storage. He explained this amendment as follows:

"It was asserted that where provision was made in a reservoir where there was water for reclamation that the Commissioner of Reclamation should have the power to prescribe regulations ad libitum without regard to existing law. This is merely a perfecting amendment. This amendment provides that these regulations shall be under existing reclamation law. It is a perfecting amendment."

Finally, Mr. Whittington proposed a proviso similar to that which was ultimately enacted as part of section 8 to the effect "That this section shall not apply to any dam or reservoir heretofore constructed which supplements any existing locally operated irrigation district." This amendment was explained as follows:

"At one or two reservoirs at least provision is made for the water for lands that are not presently under the Director of Reclamation in districts where the local interests have constructed their own canals and their own distribution system. The purpose of this amendment is to limit the provisions of this act so that they shall not apply to districts with canals and distribution facilities that have already been paid for and constructed by local interests."

While Mr. Whittington did not emphasize the limitation, it is significant that the proviso was limited to dams or reservoirs "heretofore constructed," since the Isabella and Pine Flat projects were at this time merely proposals.

The changes made in section 6 as it passed the House provided strong support for the view that the reclamation laws were intended to apply to the irrigation uses of any project authorized by the Flood Control Act, and the Secretary of the Interior took that position in his letter of June 2, 1944, to Senator Bailey. He stated:

"I regard section 6 of the bill as intended to provide for the application of the Federal reclamation laws to projects having irrigation possibilities. * * * However, the provisions of this section are not entirely apt in their relation to the various technical features of the Federal reclamation laws. For this reason, I would much prefer to have the section read substantially in accord with the following proposed amendment."

He thereupon proposed a substitute section, the first and third sentences of which were substantially similar to section 8 as it was ultimately enacted. It differed from that section primarily in that the second sentence did not require specific congressional authorization for the construction by the Secretary of the Interior of additional irrigation works. The Senate Committee thereafter recommended that section 6, now to be numbered section 8 because of other Senate Committee amendments, be amended substantially as proposed by the Secretary of the Interior. However, the committee inserted in the second sentence the requirement of subsequent congressional authorization for any additional works constructed by the Secretary and incorporated a proviso similar to that proposed by Congressman Whittington relating to works "heretofore constructed." The committee stated:

"During the hearings and also by letter the Secretary of the Interior expressed to the committee his views with regard to the utilization of multiple purpose projects under the control of the War Department where irrigation may be involved and he expressed the view that the language of H.R. 4485, if modified, would provide for more effective admin-

⁶ See Letters from President Franklin D. Roosevelt to Hon. William M. Whittington, chairman, House Committee on Flood Control, dated May 5, 1941, and February 7, 1944. Hearings before the Committee on Flood Control, House of Representatives, 78th Cong., 2d sess., on H.R. 4485, pp. 615-617. See also letter from Secretary of the Interior Ickes to Senator Josiah W. Bailey, chairman, Senate Committee on Commerce. Hearings before a subcommittee of the Senate Committee on Commerce, 78th Cong., 2d sess., on H.R. 4485, pp. 310-314.

⁷ Hearings before a subcommittee of the Senate Committee on Commerce, 78th Cong., 2d sess., on H.R. 4485, p. 313.

istration in relation to the various technical features of the Federal reclamation laws. The committee therefore recommends the adoption of amendment No. 10 which is generally in accord with existing law and the expressed views of the Secretary of the Interior" (S. Rept. No. 1030, 78th Cong., 2d sess., p. 4).

This was the form in which the bill was finally enacted.

During the course of the debate in the Senate, Senator O'MAHONEY, together with certain other Senators, proposed a number of amendments to the bill. Included among them was a new section 6 which would have expressly conferred upon the Secretary of War authority "to contract for water storage for any beneficial uses or purposes." Senator O'MAHONEY described the amendment to be "intended as an authorization to the Secretary of War to make contracts for use of surplus water stored in dams which would be constructed solely by the Army Engineers," and stated that irrigation uses were among those as to which this amendment would confer contractual authority upon the Secretary of War (90 CONGRESSIONAL RECORD 8548). Another proposal included among Senator O'MAHONEY's amendments was a revision of section 8 to read substantially in its present form but which would have expressly provided that the section "shall not apply to any dam or reservoir heretofore or hereafter constructed which supplements any existing locally operated irrigation system or other locally operated water facilities" (ibid., 8850).

Senator MILLIKAN, a cosponsor of the amendment, explained that the two proposals had "the combined purpose of not subjecting all of the detail of the reclamation law to projects where the Army Engineers have a reservoir in the middle of an existing privately owned irrigation system; are in independent position to take the water and therefore should not be required to go through all of the incidents of a reclamation project started from grass roots" (ibid., 8549).

In a letter to Senator HILL dated November 29, 1944, Secretary Ickes objected strenuously to both proposals on the grounds that they would disregard the reclamation laws while placing the Corps of Engineers in the irrigation field. (Ibid., 8545-8546.) Instead of being acted upon, the amendments were referred to the Senate Committee on Irrigation and Reclamation. (Ibid., 8550.)

During the course of the debate, Senator MURRAY introduced an amendment to delete the projects on the Kings and Kern Rivers from the bill (ibid., 8622-8623) and to modify section 8 so that the third sentence would provide that:

"Dam [sic] and works authorized by this act may be utilized for irrigation purposes only in conformity with the provisions of said Federal reclamation laws and this paragraph." (Ibid., 8618.)

In opposing the Murray amendments, Senator Overton stated:

"The able junior Senator from Montana has made considerable comment in reference to the Sacramento and San Joaquin Rivers and the Central Valley, in California. The principle to which I have just referred was carried out in respect to the projects contained in the bill which were authorized for those streams. The testimony shows, I think rather conclusively, that the projects herein authorized to be constructed by the Army engineers are ones in which flood control predominates over irrigation. Of course, the Senate will understand that, insofar as irrigation is concerned, all surplus water which can be used for irrigation is turned over to the Department of the Interior, and the

method of irrigation and the operation of the irrigation works are under the control of the Department of the Interior" (ibid., 8625).

"Mr. President, the Assistant Chief of Engineers, as well as all the engineers who appeared before our committee, stated that they had absolutely no objection whatsoever to the irrigation and power amendments which were suggested by the Secretary of the Interior. They were similar to those suggested by the Senator from Montana, and were subsequently incorporated in the pending bill. The engineers stated that they were perfectly willing to turn over to the Department of the Interior control of the power generated for distribution, and were perfectly willing to turn over to the Bureau of Reclamation the distribution of all surplus water held back by the dams constructed by them, the distribution of which would come under the reclamation law, or would follow whatever method Congress might determine upon" (ibid., 8626).

The amendments were rejected (id.).

After the passage of H.R. 4485 by the Senate, including the committee amendment of section 8 (ibid., 8668), the bill went to conference. The House conferees agreed to the Senate amendment (H. Rept. No. 2051, 78th Cong., 2d sess., p. 2), and the statement of the managers on the part of the House describes the amendment as follows:

"This amendment of the Senate replaces section 6 of the House approved bill with certain modified language substantially as requested by the Secretary of the Interior and constitutes section 8 of the Senate approved bill. The Senate language will provide for more effective administration in relation to the various technical features of the Federal reclamation law. It establishes a procedure for the utilization of multiple-purpose projects for irrigation purposes when the Secretary of War determines upon recommendations of the Secretary of the Interior that a project operated under the direction of the Secretary of War may be utilized for irrigation purposes" (ibid., p. 7).

When the bill returned from conference the following colloquy took place on the floor of the Senate:

"Mr. HILL. There still seems to be confusion on the part of some Senators with reference to the application of reclamation laws in regard to some of these projects.

"I heard the distinguished senior Senator from Louisiana, when the bill was under consideration, and I think he made it very clear. However, I wish to ask this question: Is it not a fact that section 8 of this bill, as agreed to in conference, makes some reclamation laws applicable to the handling of irrigation water of any of the projects, including California projects, where it is found that irrigation may be carried out? I ask the Senator in charge of the bill whether it is not a fact that the President wanted the California projects in this bill constructed under the Bureau of Reclamation so that the water policies would conform to reclamation laws?

"Mr. OVERTON. The Senator is correct with respect to the projects in the so-called Central Valley of California. The President wrote me and the chairman of the subcommittee in this regard. However, in view of the fact that the Senate amendment made not only the California projects but all such projects subject to irrigation laws, and in view of the fact that the House concurred in this action by agreeing to section 8 of the Senate bill, I am sure that the President will feel that we have met the problem that

he raised. Section 8 of the bill clearly places reclamation uses of water from these projects under the Secretary of the Interior and under the applicable reclamation laws. No project in this bill which may include irrigation features is exempted from the reclamation laws.

"Mr. HILL. I thank the Senator.

"Mr. OVERTON. The Senate amendment made not only the California projects, but all such projects subject to the irrigation law. In view of the fact the House concurred in that action by agreeing to section 8 of the bill, I am sure the Senator from Alabama will feel that we have met the question which he has raised. As I stated a while ago, section 8 of the bill clearly places reclamation uses of waters from all projects authorized in this bill under the Secretary of the Interior, and under the applicable reclamation laws" (90 CONGRESSIONAL RECORD 9264).

The foregoing discussion of the legislative history of the bill clearly indicates that while the President and the Secretary of the Interior were unsuccessful in their efforts to have the projects here discussed constructed by the Bureau of Reclamation, they were able to impress upon the Congress their views that the irrigation uses of any waters made available by these projects should be made subject to the reclamation laws. This also appears to have been the view expressed by the chairman of the House committee which considered the matter when he explained his amendments. The change in the language of section 8 made by the Senate committee was apparently intended to dissipate any ambiguities which might exist in this regard. While more apt language could have been used for this purpose, and indeed some was suggested, the intent is clear. Certainly this view of the bill was emphasized by Senator Overton in the course of the debate on the flood control bill.

It is significant that both Senator Overton and Senator Hatch regarded the latter's amendment to section 4 of the rivers and harbors bill so as to make the third sentence refer expressly to the reclamation laws as merely a matter of emphasis which made no change in substance. The discussion of the Murray amendments to the flood control bill were to the same effect.

The interpretation of section 8 as being intended to make the reclamation laws applicable to the projects here considered is also reinforced by the discussion in the Senate of the O'Mahoney amendments. It will be recalled that these amendments had as one of their purposes exemption from the reclamation laws of projects in areas where private irrigation systems already existed. At no point in the discussion of those amendments was it ever suggested that this proposal was in fact incorporated in the bill, and the subsequent statements of Senator Overton, made in the course of the discussion of the Murray amendments, are clearly to the contrary.

As suggested earlier, the provisions of section 10 conferring authority upon the Secretary of War to make arrangements for payment for conservation storage with respect to Pine Flats and Isabella can be contended to carry the implication that the reclamation laws are not to apply to irrigation benefits provided by those projects. However, this is at best an implication, and the section does not expressly preclude the application of the reclamation laws. On the other hand, section 8, read in the light of its legislative history, appears to me to require their application. It has been stated that "In construing any statute the legislative intent, if it can be ascertained, must control; and in arriving at the legislative intent the entire statute, its form, its several parts, its pur-

poses, its relation to other statutes, and the effect of construing it one way or another, must be considered" (39 Op. Atty. Gen. 42, 44 (1937)). Indeed, these principles were applied by my immediate predecessor in connection with the construction of another section of the Flood Control Act of 1944 (41 Op. Atty. Gen. No. 36, p. 9 (July 15, 1955)). To the same effect, the Supreme Court has said:

"In the interpretation of statutes, the function of the courts is easily stated. It is to construe the language so as to give effect to the intent of Congress. There is no invariable rule for the discovery of that intention." *United States v. American Trucking Associations*, 310 U.S. 534, 542.

The legislative history of the Flood Control Act of 1944 and its structure impel me to the conclusion that the provisions of section 8, interpreted as suggested above, rather than whatever may be implied from the terms of section 10 should determine whether the reclamation laws should apply to irrigation benefits made available by the Isabella and Pine Flat projects. In reaching this conclusion, I am impressed by the fact that section 10 is basically an enumeration of over 90 projects which are authorized by the act. The dispute over whether the Bureau of Reclamation or the Corps of Engineers was to construct the projects here involved was resolved by their inclusion in section 10. After that issue was resolved, the question of the applicability of the reclamation laws was largely discussed in connection with section 8 as it evolved. The expression of intention that the reclamation laws apply to projects such as are here involved appears too strongly in the legislative history of section 8 to permit its frustration by virtue of any implication which might be drawn from section 10.

For these reasons, I conclude that section 8 makes the reclamation laws applicable to contracts for the disposition of irrigation benefits from dams and reservoirs constructed under the authority of section 10, even if no additional works are required to be constructed in order to make such irrigation benefits available.

Sincerely,

WILLIAM P. ROGERS,
Attorney General.

Mr. DOUGLAS. Mr. President, what I am trying to show is that in view of the large land holdings of the Southern Pacific Land Co., arranged, as those holdings are, in a checkerboard pattern, if it refuses to come in, it will be able to shut off water from the lands enclosed within those rectangles; even if the distribution system crossed their lands it is doubtful if it would be feasible to serve the other lands alone; and the position of the Southern Pacific Land Co. resisting sale of their excess lands, would be further strengthened if in the area outside of the admittedly Federal Project there were to be no limitations whatsoever upon land ownership. Since the two areas will be served by water either wholly or partially distributed by Federal projects, and made possible by Federal projects, we should not waive Federal reclamation law in the illusory hope that if we do so, the State would impose an adequate substitute for the Federal reclamation law.

The other day I used the analogy of the defensive tactics of a football team. A linesman would be very poor, indeed, if he did not try to stop the opposing team at the line, and if he let the opposing backs go through the line, and hoped that the defensive backfield men would do all of the tackling. Yet that is pre-

cisely what the Senators from California are asking us to do. They are asking us to waive the restrictions of the Federal law in the possibility or in the hope that the backfield—in this case, the California Legislature—will come forward with adequate protection.

We say there is a great difference between hope and reality. Many Governors propose programs to legislatures but the programs are not always put into effect. I have no doubt that Governor Brown intends to propose a program of land limitation, although bills to that effect have not yet been introduced, apparently. But it is one thing for the Governor to propose such a program, and it is quite another thing for California to enact such a law. Until California comes forward with a law at least as good as the Federal law, I do not believe we should give up the protection the Federal law affords.

Mr. President, this matter is a very serious one. The farm policy of our country has been based upon the idea that ownership should be widely distributed, that there should be family-size farms, that we should not have the agrarian conditions of Eastern Europe, where there are a few landowners and many farm laborers.

That was the economic basis of feudalism in East Germany. It is the economic basis for feudalism in Sicily and the Valley of the Po in Italy, today. It was the economic basis in Hungary and in Poland.

Wherever there is that condition, there is an unhappy peasantry, and an unstable economic and political situation which ultimately results in political convulsions.

Fortunately, our Government, in the Homestead Act, adopted a different policy. Fortunately, the climate of the Northern States caused the lands in that area to be adjusted to small farms. The areas where the huge estates were maintained were the slave States of the South and the areas we took from Mexico, where Spanish and Mexican law had prevailed, and where huge estates had been built up. That was the condition of Texas and of what is now New Mexico and of California and perhaps of sections of what is now Arizona.

The question is one of basic values: Do we want California and the great Central Valley, which some day will be opened up, to be on the basis of small farms, where the owner farms the land; or do we want it to be on the basis of huge estates?

As I think I mentioned in the debate on this bill last year, I have visited this area and I have seen both types of settlements.

I visited one town on the west side of the San Joaquin Valley, where the land was distributed in relatively small fruit farms or fruit ranches. The homes were American homes. There were telephones, running water, electricity, television sets. There was a good high school in the community. The community itself looked like the towns of the Middle West or of New England. It was what I like to think of as an American community.

Then I visited a town on the east side of the San Joaquin Valley, where the land around the town was held almost entirely by one company. The people who lived in that community were almost entirely Mexican-Americans who were day laborers. They lived in miserable houses. The streets were not paved. The houses could perhaps best be described as hovels. The town itself was run down. It consisted of only a few stores. One of them was a tavern. In another one, rude clothing was sold—the overalls which in California are called, I believe, levis, and rough shirts. There was also a general store where the cheapest articles were offered for sale. I did not have time, because it was dusk, to ascertain how many doctors were around there, but I can hazard a guess that not many were there.

Some years ago articles were written about two of these communities, after a thorough study, by economists connected with the Department of Agriculture; and I believe that study so aggravated the big landowners of the area that they then closed down on the unit inside the Department of Agriculture which made the study, in order to prevent similar comparisons from getting to the American people.

Now, that is the issue. The issue is which type of community we want in the area we are considering. It is an issue as to whether we want to pay huge subsidies for the benefit of a relatively restricted few, or whether we want to use the money which we appropriate for reclamation, in an effort to build up a greater degree of democracy in the valley.

This is an issue, Mr. President, which has divided the politics of California for a long time. I pay tribute to the humble men and women who have fought for the principle of democracy in the valley, at great personal cost to themselves; to those who have fought for the 160-acre limitation, at the price of being blacklisted from their jobs and driven from their communities by the large landowners. I pay tribute to the few politicians who have taken up the cause of the small landowner, and especially former Representative Helen Gahagan Douglas, who was crucified in the campaign of 1950 because, among other reasons, she stood for this principle.

Many people have died by the roadside, politically and otherwise, in contending for the principle. They contended for something which they thought was precious and divine, but the juggernaut of the large landowners has gone over them. Now we on the floor of the Senate are to see whether the blood of the martyrs is to be the seed of the church, or whether they shall have died in vain.

The record is replete also with the stories of politicians gaining office with promises, but, for one reason or another, being seduced by the roadside and ending up as the defenders of the large landowners in this area.

I am not referring to the present Senators from California. I like them as friends. I think they are fine public servants.

But we ought to know of some of the instances which have occurred in the past

and the tragic consequences which have come to men because they lost their early ideals and abandoned the principles for which they had initially fought. I do not want to see that happen again.

The taxpayers of the country are being asked to make a huge investment in the Central Valley. We have already committed ourselves for \$860 million. We are being asked to commit ourselves for \$290 million more. After that there will be a request for another \$190 million for a distribution system. We are asked to contribute a large portion of the cost of the Oroville Dam, which it is being contended is an exclusively State project, but which is no such thing.

All we are asking is that if the Federal Government contributes this money, at least we should let the historic land policy of the American people apply.

If my good friends say that the elimination of section 6(a) will not have any effect, let them carry the case to the courts. I believe that the elimination of section 6(a) will indicate pretty clearly that it is the intention of the Congress that the 160-acre limitation shall apply throughout this area; but if there are others who think to the contrary—

Mr. KUCHEL. Mr. President, will the Senator yield on that point?

Mr. DOUGLAS. Yes.

Mr. KUCHEL. I appreciate the frankness with which the Senator from Illinois is now speaking. Is it the Senator's belief that his amendment will result in having Federal reclamation law applied to all the water which would come from a dual-purpose San Luis Reservoir?

Mr. DOUGLAS. I am not thoroughly acquainted with the riparian rights of landholders alongside the waterways in California, and it may be that property holders along the rivers which will have increased water flow or existing irrigators may have some prior claims to this water. But certainly the elimination of section 6(a) will make it clear it is the intent of Congress that Federal reclamation law shall not be barred from applying to lands outside the area served exclusively by the initial Federal projects, but also served later by joint projects.

Mr. KUCHEL. By any joint project, or by this one project as to which the Senator is offering his amendment?

Mr. DOUGLAS. This particular project, yes.

Mr. KUCHEL. That is the Senator's opinion as to the meaning of the amendment he is offering?

Mr. DOUGLAS. Yes.

Mr. KUCHEL. Let me ask this question in good faith. The Senator knows the San Luis reservoir would be located, roughly, in the middle of California, going from north to south. Is that correct?

Mr. DOUGLAS. Yes.

Mr. KUCHEL. The reservoir would supply water on its way south.

Mr. DOUGLAS. That is correct.

Mr. KUCHEL. Would it be fair to say that the Senator's amendment, in his opinion, would seek to apply Federal law to waters in the State system south of the reservoir, but not north of the reservoir?

Mr. DOUGLAS. I may say to my good friend, who talks about a State system, my contention is that there will not be any pure State system arising from this project. What we shall have will be a completely Federal system, first, and then a commingled Federal-State system.

Mr. KUCHEL. I most respectfully state to the Senator from Illinois that he is in error. The people of my State have begun to acquire rights-of-way and have perfected plans for the building of a State system to be paid for by the people of the State, and not by the Federal Government.

Mr. DOUGLAS. I say to my good friend that all of that would be impossible if there were no prior Federal project. The second story to the San Luis Dam could not be constructed without the first structure or substory being federally constructed.

Let me point out those in the area outside the Federal service area will be compelled to use, at least in part, the Nelta-Mendota Canal, which has already been constructed by the Federal Government. They may have to use some Federal power to pump water from the Sacramento to the San Joaquin.

They will have to use the federally constructed Cross Delta Channel from the Sacramento to the San Joaquin. They will, indirectly, have to use dams constructed on the upper Sacramento at Shasta, Keswick, and the other places.

They will have to use the Federal appropriation which has been or will be requested for Oroville and they apparently hope to get interest-free irrigation money also.

All of those projects are prerequisite. It will not be an exclusively State project. There will be commingled water and commingled facilities.

Mr. KUCHEL. Mr. President, will the Senator yield again?

Mr. DOUGLAS. I yield.

Mr. KUCHEL. Is it fair to say that the Senator's amendment and the theory which the Senator believes is inherent in his amendment cannot and will not apply to waters prior to the time they flow into the San Luis reservoir? Is that a fair statement?

Mr. DOUGLAS. If there is irrigation north of San Luis—

Mr. KUCHEL. As there is.

Mr. DOUGLAS. If there is irrigation north of San Luis, with these commingled waters assembled and distributed as a result either of exclusively Federal facilities or of commingled facilities, then of course Federal law would apply in that instance, too.

Mr. KUCHEL. Is the Senator telling me that his amendment would apply to waters before they come into San Luis? Is that the intent of the Senator's amendment?

Mr. DOUGLAS. To the degree that there is additional territory brought under irrigation by these additional waters; yes.

Mr. KUCHEL. I will simply say to the Senator, that is a technical legal question. I want the Senator to have a little time to think about it, because I believe the Senator will want to say that his amendment would apply to the use

to which the water in this dam would be put, but that waters prior to the time they come into the reservoir obviously could not be regulated by the law with respect to this dam. I think the Senator is going to want to tell me that.

Mr. DOUGLAS. Something more is involved in this matter than merely the San Luis Dam. The whole valley project is involved.

Mr. KUCHEL. I am trying to understand the intent of the Senator in offering his amendment, and to have it spelled out so that other Senators can understand what my friend has in mind.

I ask again, Is it not true that my friend offers his amendment to govern the use of waters in the reservoir after they come to the reservoir? Is that not true?

Mr. DOUGLAS. I will say that if we strike section 6(a), the existing Federal reclamation law will be applicable wherever Federal waters, in whole or in part, irrigate additional areas of land or put additional quantities of water on land already being irrigated by pumping.

Mr. KUCHEL. Is the Senator going to answer my question?

Mr. DOUGLAS. I am not necessarily going to answer the question the way the Senator from California wants me to answer it.

Mr. KUCHEL. I would say the Senator has not answered it at all.

Mr. DOUGLAS. I believe probably many questions will have to be left for judicial interpretation. However, inclusion of section 6(a) will sweep away all defenses and will mean farewell to the 160-acre limitation.

Mr. KUCHEL. Mr. President, will the Senator yield once more?

Mr. DOUGLAS. Of course. I am always glad to yield to my good friend.

Mr. KUCHEL. When the Senator uses phrase "Federal waters" as he discusses his amendment, and as he endeavors to state today what is his intention, what does the Senator mean by "Federal waters"? What does the Senator mean by that phrase?

Mr. DOUGLAS. I would say they are waters the assembling and distribution of which have been primarily effected by Federal investments in dams, power stations, distribution channels, reservoirs, pumping stations, distribution systems and so forth.

Mr. KUCHEL. The Senator heard my colleague earlier today, did he not, when he indicated that after the waters spill over the great Shasta Dam and go down the river they feed irrigation districts which are not complying with and are not required to comply with Federal law, and feed others in the Central Valley project which do?

Mr. DOUGLAS. The landowners may have had prior riparian or irrigation rights under California law.

Mr. KUCHEL. Let us assume they did not, which is the fact.

Mr. DOUGLAS. I think the U.S. Bureau of Reclamation ought to look into this matter. This is a new subject for the U.S. Bureau of Reclamation. I hope very much the Bureau will take it up.

I thank the Senator from California for suggesting this possibility. I will address a letter to the Commissioner of Reclamation tomorrow, calling attention to the fact that he may have slipped as to the rights of the U.S. Government.

The Senator from California has raised a most important question in the public interest, and I congratulate him.

Mr. KUCHEL. I want my friend to accept my thanks for those kind words.

My fondness for the Senator from Illinois, like my fondness for the Senator from Oregon, is going to continue, but I wish to say, most respectfully, that some of the comments my friend from Illinois has made in the course of this debate demonstrate his unawareness of California and the needs of the people of California. I say that most respectfully, and I say it particularly with reference to the manner in which the Senator has not answered the questions I have asked him about the very amendment he has offered.

Mr. DOUGLAS. My good friend from California, who accuses me of being unaware of the needs of California, has, I think, justified a reply on my part.

I never believe in applying the "tu quoque" or "you're another" argument, but I must say to my good friend from California I am really surprised by the course of this debate.

I have always found the Senator from California, on the floor of the Senate and in committee meetings, to be responsive to the needs of the average man. I think the Senator has been a great addition to the Senate, even though he is of a different political party. I am disappointed to find him unappreciative of the real needs of the people who live in the Central Valley. The Senator has listened too much to the siren call of the large landowners. That is true.

Mr. KUCHEL. No. No.

Mr. DOUGLAS. They have misled my good friend, and I am sorry to see that. I think my friend is going to recover his sense of direction. I think the compass of his conscience will point him in the right direction. I have great hope for his ultimate redemption. Since the Senator expressed his pain at my being unaware of the alleged needs of the people of California—

Mr. KUCHEL. My intense pain, I will say to the Senator from Illinois. It is a very intense pain. I feel it in my heart.

Mr. DOUGLAS. I have an equally intense pain at the derelictions of the senior Senator from California.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Oregon.

Mr. MORSE. I have two or three questions to ask, in view of the very pertinent inquiry made by the senior Senator from California.

I think the Senator from Illinois very rightfully said that now he intends tomorrow to address a letter to the Bureau of Reclamation, seeking information regarding the inquiry of the senior Sena-

tor from California. That means we will need more time in order to determine finally what should be the disposition of the bill, until the Senator hears from the Bureau of Reclamation. Is that not a reasonable conclusion?

Mr. DOUGLAS. I think it would be highly desirable.

Mr. MORSE. The Senator also addressed himself to the senior Senator from California, pointing out that he in effect has been taking the position, with regard to the proposed legislation, taken by the large landowners in the Central Valley of California. This seems to be evidenced by the fact that the Senator from Illinois has put in the RECORD today support for the amendment offered by the Senator from Illinois from such groups as the farmers' union and labor groups.

Mr. DOUGLAS. The Grange.

Mr. MORSE. The Grange, and many of those people interested in the family farm problems of California. That documentation would add up to the conclusion, would it not, that the position taken by the senior Senator from California is certainly not the position being recommended to the Senator from Illinois by the representatives of the family farm groups of California?

Mr. DOUGLAS. I think that is true. I shall be glad to go to California and debate this issue up and down the Central Valley and up and down the coast with the two Senators from California. I will pay my own way to California, and I am ready to hold joint debates in Sacramento, Bakersfield, Fresno, San Francisco, and Los Angeles. In fact, I am tempted to issue a challenge now to the Senators to debate this issue.

Let us recommit the bill in the meantime, until the people of California have had a chance to pass upon the matter.

Mr. CARROLL and Mr. KUCHEL addressed the Chair.

Mr. DOUGLAS. I am glad to yield first to the Senator from Colorado.

Mr. CARROLL. I should like to ask a question of the senior Senator from California.

Mr. KUCHEL. Yes, sir.

Mr. CARROLL. I seek information.

As I understood the question propounded by the senior Senator from California to the Senator from Illinois, it is whether or not some of the waters flowing from the north into the San Luis Dam are under Federal control. Is it not true that today waters which move through Mendota are clearly under Federal control, under the reclamation laws? Is it not true that such waters will come into the San Luis Reservoir?

Mr. KUCHEL. Yes; during certain periods of the year.

Mr. CARROLL. Assume that the State should construct a parallel system for State waters, running to the east of the Mendota, or the San Luis wasteland, as shown on the map. That would be State water. Is there any contention that such State water shall be under Federal control?

Mr. KUCHEL. Not at all; and if I may elaborate on the excellent point the Senator is making, let me say this: Pic-

ture California, 1,100 miles long, with a wonderful Federal system, under Federal reclamation law, in the Central Valley project, which is in being. Then picture a second system, a State system, paralleling it, designed to bring surplus northern water into the parched and arid southern part of the State. If there were two reservoir sites, and if the State developed one reservoir site and the Federal Government developed the second reservoir site, so that there would be two parallel systems, each with a storage reservoir, there would be no problem. California would not be heard to say that the State law should apply on the Federal system; and I know that my friend from Illinois would not contend that the Federal law should apply to the State system.

Mr. CARROLL. I have listened to the very excellent debate of the able public servant, the senior Senator from Illinois [Mr. DOUGLAS]; and I think he makes a good point. I ask the senior Senator from California to consider this point very carefully:

Is it not true, as appears from a study of the maps, that the Federal area to be served is clearly defined? If the area is clearly defined, how could there be confusion and commingling of water, unless there was an ulterior purpose in the inclusion of section 6(a) in the bill?

Mr. DOUGLAS. Mr. President, may I be permitted to answer that question?

Mr. CARROLL. If the Senator from Illinois will permit me, I should like to continue along this line.

If the map is correct, all of this area comes under the Federal reclamation law.

Mr. KUCHEL. The Senator is correct.

Mr. CARROLL. As I understand, all the people of California want is the money to build this great reservoir. They want to use about \$290 million of the people's money, on the basis of a loan.

Mr. DOUGLAS. Plus \$190 million.

Mr. CARROLL. Most of which is reimbursable.

Mr. KUCHEL. The Senator is correct.

Mr. CARROLL. I believe the Senators from California should give serious consideration to the amendment of the Senator from Illinois. I think it would clarify the situation.

There is no contention on the part of the people of California that the Federal Government should not continue to maintain control, under Federal reclamation law, with respect to that portion of the water which comes within the law.

Mr. KUCHEL. The Senator is absolutely correct.

Mr. CARROLL. I assume that there is no disposition on the part of anyone to say that the Federal Government should control State water.

Mr. KUCHEL. Yes. That is what the Senator from Illinois wants to do to the State system.

Mr. DOUGLAS. That is not State water. The additional acreage would be irrigated by water largely assembled through prior Federal expenditures. It would be commingled water, assembled

and distributed through commingled facilities, and therefore the project could not be isolated as an exclusively State project.

If we permit unlimited landownership in this peripheral area, we shall enclose the so-called Federal area with an area largely dominated by large landowners, and we shall make still more difficult the task of maintaining the 160-acre limitation within the original block of land in the so-called Federal service area.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. DOUGLAS. Certainly.

Mr. CARROLL. At this point I believe there is some confusion in the mind of the junior Senator from Colorado.

It seems to me that the senior Senator from Illinois and other Senators are concerned about the application of the 160-acre limitation. Why not eliminate section 6(a)? The senior Senator from California says there is no doubt in his mind that the area is marked out. Marked out for what? For Federal water. For what purpose?

Mr. KUCHEL. For irrigation.

Mr. CARROLL. If this area is marked out for a Federal purpose, it comes under the Federal reclamation law, does it not?

Mr. KUCHEL. Yes.

Mr. CARROLL. Therefore, why go into the question of the commingling of water, and try to legislate on the floor of the Senate? There may have to be a judicial determination later. Why not meet the issue in the proper tribunal, and in the proper area?

Mr. KUCHEL. I will tell the Senator why not, in my opinion.

I think it is the clear duty of the Congress to spell out the intent with which it enacts legislation. I studied the speech of my friend from Oregon [Mr. MORSE] over the weekend. I spoke with the leaders of public agencies in California over the weekend. The Senator from Illinois is quite frank. He says that he offers the amendment to eliminate section 6(a) to throttle, by Federal legislation, the people of California in their waterworks.

Mr. DOUGLAS. Mr. President, I protest. That is a gross misstatement of the position of the Senator from Illinois.

Mr. KUCHEL. I do not think it is.

Mr. DOUGLAS. Our friend has allowed himself to be carried away by the enthusiasm of his advocacy.

Mr. KUCHEL. With the Presiding Officer now occupying the chair [Mr. ENGLE], I feel comfortable about it. [Laughter.]

Mr. DOUGLAS. I have great confidence in his fairness as a Presiding Officer, when he is in the chair. He may be a protagonist of his case on the floor, but when he is placed in the chair, I think he will decide any issue put to him on the basis of parliamentary law. I will not say that I am comfortable with him in the chair, but I feel safe with him in the chair. [Laughter.]

Mr. KUCHEL. I join my friend in those sentiments.

Mr. DOUGLAS. I do not believe the junior Senator from California would

take undue advantage of the Senator from Oregon or the Senator from Illinois.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I note the presence in the Chamber at this moment of both Senators from Oregon. This is a matter of extreme importance to the State of Oregon. The State of California is switching water from the northern part of the State of California to the southern part of the State. That is all right.

But it is well known that it has designs on the Columbia River, too.

Mr. KUCHEL. Careful—

Mr. DOUGLAS. The Columbia River has one of the greatest flows of water in the country—approximately 180 million acre-feet a year.

Mr. KUCHEL. Mr. President, I protest my friend's statement.

Mr. DOUGLAS. Mr. President, who has the floor?

Mr. KUCHEL. I think the Senator from Illinois is now being carried away.

The PRESIDING OFFICER. The Senator from Illinois has the floor. Does the Senator from Illinois yield?

Mr. DOUGLAS. I do not, at least not until I finish this paragraph.

There have been articles in the newspapers to the effect that it would be a fine thing if the water of the Columbia River were at some point hoisted over some of the mountains or brought through a tunnel and taken down to California, because California can put it to better use than can Oregon.

Under what conditions would the water be taken? For whose benefit? For the benefit of the people of Oregon or the benefit of the people of California?

And if and when taken to California, for whose benefit would the water be used within California? Would it be taken there for the benefit of the large landowners, who are now attempting to take the water of northern California, held back and then channeled down by a Federal investment? Or would they distribute it for the benefit of the average people of California?

I believe the Senators from Oregon have a real interest in this issue.

What we are doing now will set a precedent for later developments. If I were a Senator from Oregon I would be very skittish about accepting any of this bill, because it may pave the way for one of the greatest water steals and water diversions in the history of the Nation.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Oregon.

Mr. MORSE. We always like to give our California friends the benefit of the doubt, but we watch them. There has been too much Columbia River diversion propaganda coming out of California to allow us ever to abate our vigilance.

If the Senator from Illinois will yield, I should like to address a few remarks to the Senator from Colorado [Mr. CARROLL].

Mr. DOUGLAS. I yield for that purpose, with the understanding that I do not lose my right to the floor.

Mr. MORSE. I believe the Senator has made a contribution to the debate which is very much worthwhile, and has raised the same question with the senior Senator from California which the Senator from Illinois and the senior Senator from Oregon have been raising now for the third afternoon of debate on this issue. There will be some more afternoons of debate on this issue, if necessary, in order to make the public aware of what is involved.

The Senator from Illinois is quite right in his reference to the danger of a water steal. I believe that the bill in its present form, with section 6(a) in it, has lurking in it the danger of the greatest water steal in the history of our country.

I do not intend to let this steal go through the Senate, with empty seats confronting us for the most part during this debate, to be voted on finally by Senators who may not have the time, because of their busy schedules, to read the RECORD.

Therefore I believe we must discuss the subject until the people of the country become aware of what is involved here. They are becoming aware, judging by the increasing number of messages which we are receiving, even from people in the State of California. I have received some more since the Senator from Illinois put in some messages earlier this afternoon. In due course of time I shall put them into the RECORD, on my own time, and at some length.

I wish to say to the Senator from Colorado that we have some questions of fact here. In my judgment, we are not the competent group to decide those questions of fact. Those questions of fact, as the Senator from Colorado knows as a lawyer, are operative facts inherent in a judicial determination of the application of the reclamation laws to specific litigation which is bound to arise in the future no matter what bill on this issue we should pass.

There has been discussion here this afternoon, as there was last Tuesday afternoon and last Thursday afternoon, of the problem of whether there is or is not a commingling of waters. Let me say that we do not get the answer by having the Senator from Colorado ask the Senator from Illinois, the two Senators from California, or the Senator from Oregon whether there is any dispute about the commingling of waters in this matter. There is such a dispute. There is a great dispute about it. I do not purport to answer that question this afternoon.

I wish to say, however, that it is a question that calls for the presentation of legal proof in a courtroom as to what degree, if any, there is a commingling of waters. That is what I said in my legal argument last Thursday, and I wish to refer to it again this afternoon. This is not the forum in which that question and the next question I will raise in my discussion with the Senator from Colorado should be raised. It is a question of whether or not there is a certain commingling of waters. That should be for judicial determination. The question as to whether or not the Federal service

area is clearly defined is disputed. That ought to be decided in a courtroom, not here. It involves an operative fact. It can be resolved in the process of determining to what extent the reclamation laws apply to the various segments of this project.

The question as to whether or not there is a State system separate and distinct from the Federal system involved in this project is a question of fact which is in dispute.

The Senator from Illinois has pointed out time and time again in the debate that we could not raise in this debate the issue of whether the 160-acre limitation applies to the new land which is going to be brought under irrigation by the project, if it were not for the fact that we have the basic Federal dam project, with the deep foundation, on top of which it is proposed that some State money be spent for a superstructure which will make it possible to store more water behind the dam. Does that change the water into State water, or does it leave in that reservoir Federal water?

The Senator from Colorado and I know that we cannot determine that question of fact on the floor of the Senate. It is an operative question of fact inherent in a judicial determination of the application of the reclamation laws to the project.

What is the next question of fact? It has been stated by the two Senators from California that they plan to dig some canals or channels right along side of the Mendota Canal and some other Federal canals, taking water out of the reservoir impounded by a basic Federal dam on which a superstructure has been built with the use of State money. Let me say that we will look in vain through the record for any guarantee that that is the way it is going to be done, but let us assume that it is going to be done that way. Does that make it State water and not Federal water? It is a question of fact, to be determined by litigation, not to be determined on the floor of the Senate.

Let us move into another question of fact which is involved here. What is the effect of section 6(a)? It is pretty clear, although it does not in its language mention the 160-acre limitation, that those who want it kept in the bill—the Southern Pacific Land Co. and all the other large landowners—believe that in section 6(a) they have a gimmick whereby they will be able to have the 160-acre limitation removed from their land.

Section 6(a) is not necessary in this bill, let me say to the Senator from Colorado, for a final determination as to whether the 160-acre limitation does or does not apply. However, if we leave it in the bill—and this is what the senior Senator from California, I respectfully submit, has as his chief motivation—it strengthens the waiver of the 160-acre limitation, he believes. That is why I say to the two Senators from California—and I say it respectfully—I do not believe they are being fair to those of us from the great water resources States of the West to put us in a position where we have to oppose the San Luis project,

when we are for it, because they have this gimmick in section 6(a), and because they want to stack the case against us.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. Not yet. Because they want to get us into the position of leaving 6(a) in the bill, and in that way strengthen the big land companies in litigation which is bound to follow as to the effect of section 6(a). It would strengthen those land companies in the position they will take, namely, that the reclamation laws do not apply.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. I will yield in a moment. I say to the two Senators again, you are overlooking some shoulder-to-shoulder support which you would get from the senior Senator from Oregon, and I believe also from most of the other western Senators, if we were to pass this bill with 6(a) omitted from it, and were then to present to the committee, of which the Senator from Colorado is a member, a clean bill for a revision of the reclamation laws. On such a revision proposal we would be found going along with some modification of the reclamation laws, but not for such a modification as would waive the 160-acre limitation on the richest land area in this country.

We say "You should not be trying to determine that matter in connection with this litigation."

I repeat my question of last Tuesday and Thursday to my two good friends from California: Why do they not take section 6(a) out of the bill? If I understand the Senator from Colorado [Mr. CARROLL] correctly, he is raising the same question. Why do they not take section 6(a) out and let the matter run its course through the judicial processes of the country; then come forth with a clean bill on reclamation law amendments, and let us work together as a group of western Senators on a problem which is of common importance to all of us?

What I think the two Senators from California are doing is putting those of us in the three Pacific Coast States in a very difficult position. We should not be asked to determine on the floor of the Senate the answers to a whole series of questions which ought to be determined by the courts rather than by the Senate.

Mr. DOUGLAS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DOUGLAS. Mr. President, I ask unanimous consent, that I may be permitted, without losing the floor, to yield, first to the Senator from California, who wishes to reply to the Senator from Oregon, and that I may then yield to the Senator from Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I can say this for my colleague as well as for myself: We respect the right of the able Senator from Oregon to his opinion. But, speaking for myself, I say the Senator from Oregon is wrong in his opinion, and he is wrong in describing, in particu-

lar, the motivation of the Senator from California.

The fact of the matter is that both Senators from California gave the most searching scrutiny to the Senate Record of last week. Speaking for myself, I telephoned persons who represent public agencies in California, trying to ascertain if there were a way in which we could do what it sometimes seemed to me, from statements in the Record, the Senator from Oregon wanted to do, and yet, at the same time, to avoid what the Senator from Illinois frankly says he desires to do.

Here is an instance in which persons who are skilled lawyers in my State, and who represent public agencies, believe that the Senator from Illinois, in the position he takes, would have some vigorous supporters if the legislation got into the court, in contending that judicial adoption of the Douglas-Morse amendment would mean that the Federal reclamation law would cover all the waters coming out of the dam which is provided for by the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KUCHEL. I wish to make a very short answer to the able Senator from Oregon; then I shall take my seat.

Here, Mr. President, is the reason why we cannot accede at this late date. We disagree with what the Senator from Illinois and the Senator from Oregon say, but we also do not want to run the chance that our agreement with these two estimable Senators will be misconstrued. The fact is that we do not want the Federal Government to tell the people of California how they shall utilize their waters. The fact that it is simply good business judgment for the State and the Federal Government to sponsor jointly and to use jointly one reservoir should not alter that situation.

I say to the Senator from Oregon that I do not speak in this debate for any single citizen of California. I speak for the people of California who, through their official representatives, this year were able to come to an agreement on the language which should be used. I think we have a duty clearly to say to our fellow Senators what the intention of the bill is. That is the extent of what I have tried to do in this debate.

Mr. MORSE. Mr. President, will the Senator from Illinois yield, so that I may make a brief reply to the Senator from California?

Mr. DOUGLAS. I yield for that purpose.

Mr. MORSE. I say to the senior Senator from California that there is not a single thing which PAUL DOUGLAS and WAYNE MORSE could possibly say in this debate which would change the reclamation laws of the country as they are now on the books. There is not one single thing I could say in the debate which would cause any court, including the Supreme Court of the United States, in any way to be released in any degree from its judicial obligation to apply the Federal reclamation laws as they are.

Mr. KUCHEL. As Congress wants them to be,

Mr. MORSE. No. Let me finish. There is not a thing we can say which would change the Federal reclamation laws.

But if the Senators from California get by with section 6(a), it is our fear that by legislation they will be changing the Federal reclamation laws, and the courts would have to follow that change made by a statute enacted by Congress.

The senior Senator from California, is overlooking, I think, what the Senator from Illinois has said. He seems to think there is a variation or a difference between that and what the senior Senator from Oregon said. Let us assume there is a variance. I do not happen to think there is, but let us assume there is. It would not make a single bit of difference in a court, because the court has the job of determining what the application of the reclamation laws is to the San Luis project. But put section 6(a) in the law, and the hands of the court are tied, because the court will have been told, under section 6(a), in effect, in my opinion, that the reclamation laws are modified by law.

Mr. KUCHEL. Modified how?

Mr. MORSE. I think the court may find that the 160-acre limitation does not apply to comingled waters. We want to find out what the law is.

Mr. KUCHEL. Oh no; we want to determine how to legislate.

Mr. MORSE. We want to know whether the law applies. So we ask: Why are not the Senators from California willing to take the reclamation laws as they are now on the books? Why do they want to question the reclamation laws by this provision of the bill rather than by a separate, distinct reclamation amendment?

Mr. KUCHEL. I say to the Senator from Oregon that it is the duty of the legislative branch of the Government to pass legislation with regard to a specific intention. Congress ought to indicate what the intention is by the legislation it enacts.

I suggest to the Senator that we abandon our responsibility if we simply say this: Let the courts decide. Does the Senator from Oregon mistake my intention with respect to an understanding of the bill with section 6(a) in it?

Mr. MORSE. I think the Senator is trying to amend the reclamation law.

Mr. KUCHEL. To what extent?

Mr. MORSE. By not having the 160-acre limitation apply to new lands, as they relate to Federal waters. The Senator says it does not affect Federal waters. I say let us leave the laws as they are and let the courts determine the question.

Mr. KUCHEL. Let us see if we can come to an honest agreement. Let us see if both sides can honestly agree to something.

Does the Senator from Oregon agree that any person in California who obtains water from the State of California by entering into a contract with the State to purchase a certain amount of water ought to follow State law, and not Federal law?

Mr. MORSE. Where Federal water is not involved.

Mr. KUCHEL. What does the Senator mean by "where Federal water is not involved"?

Mr. MORSE. That is exactly what I am trying to point out. The Senator is trying to determine that question on the floor in relation to his project. I say the question ought to be determined by the application of Federal reclamation laws, as the courts find them to be in a specific case.

Mr. KUCHEL. But what does the Senator believe Federal waters to be? How would he define them?

Mr. MORSE. That would all depend on the operative facts of each individual case which came before the court. There can be no other answer. How can we look into the future and decide on the floor of the Senate the particular application of the general principle of each individual case which the Senator from California wants to raise?

I simply say that where Federal waters are involved, I want the 160-acre limitation to apply. If there is a case of solely State waters, of course it does not apply; that is up to the State legislature to determine.

Mr. KUCHEL. But we use the terms "State waters" and "Federal waters." Good heavens, Mr. President. There is no such thing as State waters in one instance, in one part of a State, and Federal waters, in another.

Mr. DOUGLAS. I am glad the Senator from California has admitted that fact.

Mr. MORSE. That is our point.

Mr. KUCHEL. Let me try to be helpful. I thought for a moment there was an opportunity to get together. I am afraid now there is not. But, Mr. President, these terms are used. All we tried to do, I will say to my friend, the Senator from Oregon, was to indicate that State law would follow the State system, and that the fact that one dam would serve a Federal reclamation project and a State system, as well, was not a basis for applying the law of the Federal Government to the law of the State.

Mr. MORSE. Let me say most respectfully that I do not think the senior Senator from California is giving sufficient weight to what the March 17, 1959, hearings show some of his constituents, representing the large landholders of California, clearly implied was their intention. We do not intend to vote for section 6(a) of the bill, which we believe is designed to carry out the intention of the large landowners of California—which is to scuttle the 160-acre limitation.

Mr. KUCHEL. Mr. President, the Senator from Oregon is mistaken.

Mr. MORSE. I have stated what I believe the intention to be. The Senator from California says I am mistaken. That is his interpretation. We have stated ours. Certainly both of us have a right to state our own interpretations.

Mr. KUCHEL. Certainly.

Mr. MORSE. Now let the courts determine the matter.

Mr. KUCHEL. But that was not the intention of the Senate Committee on

Interior and Insular Affairs. In the committee, no vote on that question was taken.

Mr. MORSE. But my colleague is a member of that committee. He is saying, in effect, that he does not think that point of view was given the consideration it should have been given in the committee. After having voted in the committee for the Senator's bill, now he has come to the floor of the Senate and has observed for the first time the problem that is hidden in the bill; and the Senator has become a cosponsor of the amendment. He is a member of the committee.

Here is the Senator from Colorado [Mr. CARROLL], who has been raising some questions which I believe are subject to the interpretation that he, too, is making. He is asking, "Why do you not go along with the proposal to strike out section 6(a)?" He is a member of the committee.

Mr. KUCHEL. Mr. President, my friend, the Senator from Colorado, can speak for himself as to what he is going to do.

But I wish to suggest to the Senator from Oregon that the great Senator from Wyoming is in favor of this bill; and the great Senator from New Mexico is in favor of this bill; and the great Senator from Montana, the chairman of the committee, may, I believe, rise and say that he has changed his position on this matter. My point simply is that there are differences of opinion. I respect the right of my colleagues to have differences of opinion. But that does not mean that we who differ should simply roll over and say, "All right; we will abandon what we in good faith believe."

We have talked with representatives of public agencies. We have not talked with large landowners or with anyone from our State who has not had a public interest. That is why I want the Senate to proceed in good time to vote this issue either up or down.

Mr. MORSE. Mr. President, I never quote Senators without their permission. However, the Senator from California has just mentioned some members of the Committee on Interior and Insular Affairs, among whom is at least one who has told me that section 6(a) should be stricken from the bill. He says this issue was not raised in the committee.

I have just talked to the Senator from New Mexico [Mr. CHAVEZ], a very able member of the Committee on Public Works. I am sure he will not object to my quoting him now. He asked that the Senate not vote on this matter until tomorrow, because he wishes to be here to vote to strike section 6(a) from the bill.

The sad fact is that I believe the Senate Committee on Interior and Insular Affairs never gave consideration to the points we are making in regard to section 6(a), points which the Senator from Illinois [Mr. DOUGLAS] has brought out so eloquently on the floor of the Senate.

I believe section 6(a) is pregnant with great abuse, so far as the future of reclamation law is concerned.

Mr. KUCHEL. And in my judgment the position the Senator takes is preg-

nant with great damage to the people of California.

Mr. DOUGLAS. Mr. President, I think the genetic effects of this provision will be extremely unfortunate and will produce malformations in the body politic of California.

Mr. CARROLL. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I am glad to yield. In fact, I believe I have received unanimous consent to yield to the Senator from Colorado.

The PRESIDING OFFICER. That is correct.

Mr. CARROLL. Let me say to the senior Senator from California that the more I listen to this debate, the more I am convinced that my colleagues have almost reached a point of agreement. I say this very seriously. For example, a little while ago I asked about the area to be covered by the Federal system. It would seem that that area has been very clearly defined.

Mr. KUCHEL. That is correct.

Mr. CARROLL. But suppose in the parallel system of which we speak—and in that connection we have referred to the map—some State waters were to come through.

Mr. DOUGLAS. Mr. President, will the Senator from Colorado yield?

Mr. CARROLL. I yield.

Mr. DOUGLAS. It is not a parallel system; I wish to emphasize that point. The second system will be a commingled system almost throughout its course.

Mr. CARROLL. Regardless of that, my point is that if it involves State water which goes upon some Federal area—and this is the point the Senator from Oregon makes, and I believe it is an important point—we cannot determine that, to use his expression, as an operative fact. That question must be determined by the courts, on the basis of the testimony of engineers—competent witnesses and experts.

I am very serious about this matter. As the two Senators from California know, I want to vote for this project. I know the real problems which confront the people of California. Millions of people are very seriously affected. I was in that area a few months ago, and I think of the 6 million people in and around the Los Angeles area and the desperate need for water. I do not share the viewpoint of some of my colleagues; namely, that water is not needed for the land. I think it is needed.

I know there will be a financial windfall for certain landowners; but that presents another question.

The question before us, as I think the Senator from Oregon and the Senator from Illinois have made plain, is how are we to preserve the Federal reclamation system.

I am sure the Senator from California is very sincere. I am convinced that he has no ulterior purpose; I am convinced that he does not intend to undermine the Federal reclamation laws.

Mr. KUCHEL. That is correct.

Mr. CARROLL. Therefore, I appeal to his good judgment in this matter, and I believe the people of his State will understand. If we can move ahead here, I will

stand on his side and I will fight for him. But, as a member of the committee, I think we must face this issue, which was not brought up in the committee.

The able Senator from Illinois has raised certain questions. This is not an attempt to defeat the project. California will get this project, in my opinion; but I believe California should bow a little, and should let the bill go to conference until there is further study, and should let it go to the courts, if necessary—although I do not think the Senator from California wants it to go to the courts. But there is the problem of commingling.

Mr. KUCHEL. Mr. President, will the Senator from Colorado yield briefly?

Mr. CARROLL. Yes.

Mr. KUCHEL. I should like the Senator from California to listen to language which I think was recommended by the Senator from Oregon and the author of the report in the House of Representatives, Representative B. F. SISK. Here is what he suggests in place of the present section 6(a):

The State's use of joint-use facilities authorized by and constructed in accordance with this act shall not cause the Federal reclamation laws to be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior entitled "San Luis Unit, Central Valley Project," dated December 7, 1956.

Does not that have some interest to the Senator from Colorado?

Mr. CARROLL. It has great interest.

But this is the reason why I think the matter should go to the other House: When we speak of a contract, that is an important point. But suppose there is a contracting agency within the Federal system, too. Then we get into the question of commingling. That is what some are afraid of. For instance, suppose the great landowners come under the Federal system.

Then they are bound by Federal law. I do not know whether this point has been brought out in the debate. I was not going to name any names; but, on the other hand, I do not think it would make any difference if I did. Let us say Southern Pacific owns land in this area. I do not know how much it does own in the area. Does anyone doubt for a minute that the great landowners will not have a tremendous financial windfall? Why? Because when water is put on this rich land, the value of the property is enhanced greatly.

Mr. KUCHEL. But they cannot get it.

Mr. DOUGLAS. The testimony of six Members of Congress is that the value of the land will be increased, on an average, \$577 an acre. The Southern Pacific Land Co. has testified it owns 120,000 acres in this area. Therefore, if the company gets the water and holds onto the land, it will benefit to the degree of \$70 million. That is what is really involved here. There are similar large land holdings, perhaps not of this magnitude, but running into 10,000, 20,000, and 30,000 acres. As a matter of fact, Standard Oil Co. owns more than 100,000 acres—

most of it, however, outside the immediate San Luis area. And the Kern County Land Co. appears to have the largest holdings of any—south of the so-called Federal service area.

Mr. CARROLL. This is the real point which is raised, and I want the senior Senator from California [Mr. KUCHEL] to listen very closely. All the Senator from Illinois has said is accurate but for one thing. Under either the Federal reclamation law or a regulation under that law, as I understand it, if landowners contract for water upon the land, which will make it valuable, within a certain period—10 years—they must divest themselves of the land, and that land will be broken up into small units.

Mr. KUCHEL. At the prices at which the Secretary of the Interior shall appraise the land.

Mr. CARROLL. Perhaps that will help us on the question of speculation. That fact presents the real issue. That is why I should like to have both Senators from California listen. This is something that perhaps the senior Senator from California has not thought about. I have great confidence in his integrity. Let us assume that in a Federal area a contract is entered into for Federal water. Let us assume a contract is entered into for State water. There is a commingling of the water on the land by virtue of the contracts. Those involved may say, "We are not bound under the 10-year rule, and the Secretary of the Interior is not bound to set the value of our land."

Mr. KUCHEL. Under this proposed legislation, that simply could not happen. It is provided that before the dam shall be constructed for joint use, the State and the Federal governments must enter into a contract. There will be no problems of dual jurisdiction over a given area.

The State project here contemplated is called the Feather River project. It is overwhelmingly in the interest of water supply, for example, for the housewife who lives in my hometown of Anaheim and who needs water. Why is there a need for such water? The State of California is involved in a lawsuit with Arizona over the use of water. God knows what is going to happen. The Upper Colorado River project is a reality. The people of the State of Colorado need water. The project under discussion will be one way of bringing water, which is wasted by flowing into the Pacific Ocean, into the populous Los Angeles area.

It is true that subsequent to the Feather River project there will be other projects constructed under State works. It is also true that State water may still be desired for agricultural purposes—I do not know—but it is not going to take place at this time.

Mr. CARROLL. I am willing to go on record as to my legislative intent. I think the State of California should have control and jurisdiction over its own waters.

Mr. KUCHEL. I thank my friend—as Colorado should have over its own waters.

Mr. CARROLL. That is right. But, by the same token, when there is water within the Federal reclamation system,

there is no question that it is subject to the Federal reclamation laws.

Mr. KUCHEL. And should be.

Mr. CARROLL. Very well, but here is the point, and now we get off on a tangent argument, and we get into other arguments which go to the merits of whether this proposal would be good legislation. I think great harm will be done if section 6(a) is not withdrawn and we let the bill go to the other House containing that section. There will be ample time to argue and to consider this matter. The question will be under consideration in the other body. Representative Sisk's amendment may be offered. There will be time to study and examine it.

There is a deep-seated feeling that, however unwitting, an attempt is being made to undermine the effect of the Federal reclamation laws, which are vital to the West. Whether that feeling is founded on fact, the question has been raised. The more I think of the question and the more I listen to the debate, the more I feel section 6(a) must come out of the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. DOUGLAS. I commend the Senator from Colorado. He comes from one of the irrigation States. It is well known that those representing the 16 or 18 irrigation States are a band of brothers. They generally stand together for appropriations.

May I say that in these projects they are bleeding the rest of the country white.

In the first place, a large part of the cost is absorbed in flood control and navigation aspects of the projects, on which there is no return. Another portion of the cost is absorbed in power projects, when it really should be charged to irrigation. Then, on the small portion which is charged to irrigation, no interest is paid. Then the principal which is repaid is impounded and not returned to the Federal Treasury, but is used for further reclamation.

Believe me, the reclamation States have made all the other States pay. If blood be the price of reclamation, we have paid in full. There is a revolt coming from the sections of the country, which pay the taxes in large part.

However, in this particular instance, I am willing to swallow my scruples if only we can be assured that this subsidy will be used to help the family-sized farm, and not help the big, agrarian, feudal landholders in this area.

What is it in the Federal reclamation law that the two Senators from California want to avoid? They say they do not want the Federal reclamation law to apply in this 500,000-acre block of land—of course they never tell us precisely where or how much it is—which will be brought in after the initial 440,000 acres are.

Why? There is only one answer—because they do not want the 160-acre limitation to apply. The Senators will not come out openly and say that, but that is the reason.

There is no question of States' rights involved. As a matter of fact, we know California does not have any law on this subject at present.

Knocking out section 6(a) would not replace the Federal reclamation law with a State law. A vacuum would be left. There should not be a vacuum left in this area any more than there should be a vacuum left in nature. We do not want a vacuum in the law, because into that vacuum will rush the big landowners with their possession of tens of thousands of acres, in some cases over a hundred thousand acre, so that they will get an increase in the value of their land, to the extent of \$600 an acre, on an average, which will mean enormous benefits. From whom? These benefits will come from the taxpayers of the country as a whole.

In this process the entire irrigation and reclamation program of the country will be so besmeared and discredited that an indignant public will repudiate the whole thing.

I have been greatly pleased to observe the way the reclamation bloc seems to be breaking up, and how one Member after another will rise in his place to urge, in the interest of reclamation as a whole, that section 6(a) be stricken from the bill.

The Senator from Colorado is a loyal member of the reclamation bloc, although he is also a great public servant. The two Senators from Oregon have served notice on the Senators from California that they cannot go along with section 6(a). There has been unofficial testimony from others, yet these Senators hold on to section 6(a) because, I believe, the large landowners who agreed to this bill do not want the 160-acre limitation law applied.

Mr. President, the Senators from California speak of a partnership between the Federal Government and the State government. As they look at it, one part of this project is to be Federal, and another distinct part is to be State.

I wish to point out that the whole additional investment will be built upon the existing Central Valley project, upon which the Federal Government and the taxpayers of the Nation have already expended \$630 million, and upon which they are pledged to spend an additional \$230 million, or a total of \$860 million.

Furthermore, the bill calls for an additional \$290 million for the Federal share of the San Luis Dam and for other works, and authorizes another \$190 million for a distribution system in the offing. Roughly we are going to have a prior investment of \$1.3 billion.

And what is the State's share of all of this? The State says, "We will pay some of the added costs of the foundations, which have to be dug, at a cost of from \$10 million to \$17 million." This is California's immediate contribution. This is the partnership.

This is a marvelous partnership for California, to be able to put up \$10 million to \$17 million and have the use of \$1.3 billion. It puts in the shade the so-called 50-50 principle of the hash made out of one horse and one rabbit. It is

much worse. It is more like one molecule compared to a tremendous aggregation of material.

Then there are vague promises about the future.

I should like to point out that the whole project is dependent upon many prior Federal projects, including the great dams up north at the base of Shasta, which I have enumerated.

There is the exclusive Federal investment in the Delta Cross channel or canal, which will be used to take water from the Sacramento River to the pumping station.

Cheap Federal power will be used to lift the water from the Sacramento Basin into the San Joaquin Basin, for the so-called Federal part of the project, and possibly for the later additions, and so on.

The San Luis Dam will be a joint facility

The Oroville Dam, which has been heralded as an exclusive State project, is to have a large Federal investment of "at least"—those were Governor Knight's words—\$75 million.

Yet these new additions are said to be exclusively State projects.

Mr. President, I think the full nakedness of this project is becoming manifest. I should say that the partnership is like the celebrated cartoon which John M. Baer used to draw and have published in the magazine *Labor*, in which he had one section of the country feeding the cow and another section of the country milking the cow. This is the partnership. The rest of the Nation will feed greenbacks into the Central Valley projects—hard-earned money for which people all over the country have worked for, and, which they have paid in taxes—and the people who will milk the project will be the big landowners of the valley.

Mr. President, that is really what is at stake if we do not strike out the section 6(a) which seeks to bar Reclamation law from any application to their joint project.

Unless there are further questions I am disposed to yield the floor. If there are any Members of the Senate who wish to interrogate me I would not wish to disappoint them, but I am perfectly ready to yield the floor.

Mr. President, I yield the floor.

AGE REQUIREMENTS FOR ELIGIBILITY FOR OLD-AGE AND SURVIVORS INSURANCE

Mr. PROXMIRE. Mr. President, both houses of the Wisconsin Legislature have met to memorialize this Congress to reduce age requirements for eligibility for old-age and survivors insurance to 60 years of age. Like all memorials from this session of the Wisconsin Legislature, this is bipartisan. The Wisconsin Assembly is 55 to 45 Democratic, the State senate is 20 to 13 Republican.

I am glad to commend this memorial to my colleagues.

As one who has been to literally thousands of plant gates in my State over

the past 6 years and talked to hundred of thousands of working people, I can say without qualification that no single action of the Congress would be more warmly welcomed by working people throughout Wisconsin than the reduction in social security age eligibility which this memorial proposes.

I can recall very well sitting in the Senate gallery some 14 years ago, when I was in the Army stationed in Washington, and hearing "Mr. Republican"—Senator Robert Taft, of Ohio—talk of the golden day when American citizens could retire at an earlier age. As I recall, he may have mentioned 60 as the objective at this time.

Of course, Mr. President, I recognize that such a retirement provision would be very expensive. It would require a sharp increase in social security taxes on both employees and employers, but I think the suggestion nevertheless has very great merit; and I suggest my colleagues can benefit from careful study of the reasons for the reduction in social security age set forth in the resolution.

I ask unanimous consent, Mr. President, that the resolution be printed in the body of the RECORD, immediately following these remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

JOINT RESOLUTION 4, A

Joint resolution memorializing Congress to reduce age requirements for eligibility for old-age and survivors insurance

Whereas there is a serious shortage of jobs across the Nation; and

Whereas automation or the use of modernized machinery has enabled industry to boost production while the job market sags further; and

Whereas unemployment in Wisconsin is still widespread; and

Whereas people over 60 years of age with no special skills find it almost impossible to obtain jobs; and

Whereas the employment outlook for young people is considerably dimmed because older workers with seniority rights are continued at arduous tasks which tax their strength and vitality in order to meet requirements under present retirement plans: Now, therefore, be it

Resolved by the assembly, the senate concurring, That the legislature urge the Congress of the United States to reevaluate the age requirements for eligibility for old-age and survivors insurance in an effort to provide social security for unemployed older workers at an earlier age; and be it further

Resolved That a copy of this resolution be sent to the Honorable Dwight D. Eisenhower, to each Member of the House of Representatives from Wisconsin, to Senators PROXMIRE and WILEY and to the Governor and legislative body of each State.

PHILLIP ASH,

President of the Senate,

LAWRENCE R. LARSEN,

Chief Clerk of the Senate.

GEORGE MOLINARO,

Speaker of the Assembly.

NORMAN C. ANDERSON,

Chief Clerk of the Assembly.

AWARD TO CANON CITY CHAMBER OF COMMERCE

Mr. CARROLL. Mr. President, the Canon City, Colo., Chamber of Commerce has won recognition for its outstanding

achievement in developing a better understanding of the American economic system.

The Chamber of Commerce of the United States gave its top award of 1958 to the Canon City Chamber of Commerce for its economic understanding program, and I believe it an honor which was well deserved. I am most happy at the prize-winning activity.

Dr. Kon Wyatt, Sr. is president of the Canon City Chamber of Commerce, and George Reitemeier is the manager of the livewire organization. Joe Chapman is another leader in the very worthwhile program which made it possible for the Canon City organization to receive this national honor.

Canon City has many attractions. The bridge across the Royal Gorge at this place is one of the most spectacular sights in the Nation.

But Canon City is not dependent on spectacular scenery to justify its existence. It has a population of 17,500, has good schools and churches, manufacturing, industry, fine homes and happy people.

But the chamber of commerce inaugurated a program which is worthy of high praise, and this was not overlooked by the U.S. Chamber of Commerce when it presented its top award to the Canon City Chamber of Commerce.

The business relations committee of the chamber of commerce was formed in Canon City only slightly more than 2 years ago. Its program was based on the belief that divisions within the community and the lack of real cooperation with the citizens in all walks of life came from the lack of understanding of each other's problems. This was the basis for the program which has developed national recognition.

It was felt the best start for such a program was to draw together the business people of the community. The discussion group program was the kickoff. The results of closer unity and cooperation were felt immediately in the business area. The other groups' programs were then inaugurated, and within a few short months walls and barriers which divided the groups within the community were torn down.

With this new climate of relationships the Canon City Chamber of Commerce took many steps forward in solving community, social and labor problems.

Among the outstanding programs offered during the year was a Business-Clergy Day. Ministers of many churches attended all-day sessions at six diversified business firms. In this manner many concepts not correctly understood were explained, which dispelled the error from the minds of the participants. A similar program was carried out for the teachers and educators of Canon City, and later the businessmen visited the schools.

Over 50 business and professional men and women participated in a 17-week course in basic economics to prepare themselves to tell the story of free enterprise. These students of business acted as hosts to the many groups which were exposed to a clearer understanding of economic problems and their influ-

ence on social and political issues. The course provided the opportunity to many to gain their first knowledge of economics. Guest speakers were frequent, and told the story of free enterprise and its advantages.

This outstanding program brought about better team play in the community, and I am most happy the U.S. Chamber of Commerce has selected the Canon City Chamber of Commerce for its top award in promoting economic understanding.

SIXTY-FIFTH ANNIVERSARY OF CATHOLIC CZECH AMERICAN NEWSPAPER NAROD

Mr. HRUSKA. Mr. President, on May 16th the Catholic Czech American newspaper, the Narod will publish an anniversary issue marking its 65th year of uninterrupted existence.

This newspaper was founded as a daily by the late Right Reverend Abbot Procopius Neuzil, O.A.B., in 1894. It was published by the Benedictine Fathers of St. Procopius Abbey as a daily until 1954, when it was changed to a semi-weekly publication.

Originally its publication was entirely in the Czech language. It is published at this time in that language with a 12-page supplement in the English language.

It has served the cause of America well among immigrants from Czechoslovakia, in many ways, toward the goal and objectives of good American citizenship. Traditionally, it has taken a leading role in many Catholic social and charitable endeavors among the Czech Catholic people.

In more recent years, it has taken its place among those foremost in vigorously exposing and opposing communism in this country. Especially has it striven to counteract the Communist lies and propaganda which are circulated among and directed against Americans of Czech and Slovak origin.

The leaders and the publishers of this journal are to be congratulated upon this journal's attaining its 65th anniversary. They are to be commended for their leadership and vision, as well as their constant efforts, to attain the best in American citizenship.

May their efforts continue with the same dedication and the same zeal into the many years which lie ahead.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

Mr. MORSE. Mr. President, I understand it is the intention of the leadership either to recess or adjourn tonight and to proceed with the debate tomorrow. I am much pleased, as usual, to accommodate the leadership, but I have a couple of matters I desire to put in the RECORD.

I have received a telegram from one of the leaders of the Young Democrats of the State of California, Mr. Keith Murray, 350 Santa Clara, Oakland, Calif., in which he states:

Urge fight for unqualified 160-acre limitation in San Luis bill on behalf of California Democrats who seek a State limitation but are deceived into supposing this bill all right.

That telegram is only one of the many additional communications which are being received from Democrats in California, let me say to the junior Senator from California and my very good Democratic friends from the House who are also interested in the bill, showing the Democratic Party policy in California. I am informed that it has always been consistent with the policy of the National Democratic Party in regard to the matter of protecting the small family-sized farm in connection with the 160-acre limitation.

I do not intend to walk out on that Democratic Party policy. I intend to fight for it on the floor of the Senate. I have received another communication, from a very fine Democratic leader of California, Miss Anga Bjornson, who, I am sure, is well known to the junior Senator from California and to my Democratic friends in the House who are very much interested in the bill. She is one of the leaders of the Democratic Party in California, and at the present time is a member of the Democratic central committee of that State.

I received a letter from her today. I think she addressed another letter, of somewhat different content, but the same meaning, to my great leader in this debate, the Senator from Illinois [Mr. DOUGLAS].

She pointed out that last Thursday she sat in the Senate gallery and listened to the debate in the Senate, participated in by the two Senators from California, the Senator from Illinois, and the Senator from Oregon. In this letter, which I shall place in the RECORD with the consent of the Senate, she states that she agrees with the position taken by the Senator from Illinois and the Senators from Oregon, and disagrees with the position taken by the two Senators from California in regard to section 6(a) of the bill.

She is a member of the Democratic Central Committee of California. She so completely agrees with us and so completely disagrees with the reported position of the Governor of California on this question that she sent us a copy of the letter which she has written to the Governor of California, seeking to apprise him of the fact that she does not believe that he has been fully in-

formed as to the implications of section 6(a) of the bill, and suggesting that he obtain a little better understanding of the facts before he permits his name to be used on the floor of the Senate in support of section 6(a).

The question was asked this afternoon by the senior Senator from California [Mr. KUCHEL] as to who speaks for the people of California. The Senator from California seems to think the Governor of California speaks for the people of California. My reply is that he does not if he is wrong on an issue. The only thing that speaks for the people of California is the right side of an issue; and if a Governor is wrong on an issue, I do not accept him as speaking for the people of California. I am sorry if the Governor believes—although we have nothing in the RECORD which specifically so states—that section 6(a) should remain in the bill, in the light of the record made in this debate. If we had anything of the sort in the record, the only conclusion I could reach would be that on that issue Pat Brown would be dead wrong.

If the two Senators from California wish to use Pat Brown, the Governor of California, as a witness in support of section 6(a), I believe they should get from the Governor of California a statement for the RECORD tomorrow to the effect that he has read the debates, that he has read the arguments advanced on the floor of the Senate against section 6(a), and that he thinks the issue should be decided by way of an amendment to the reclamation laws rather than by the courts of America, which have authority to decide questions affecting the application of the reclamation laws.

If the name of the Governor of California is to be used in debate in support of the contention that the Governor believes section 6(a) should remain in the bill, I believe we should have a statement from the Governor for the record. I cannot purport to speak for the Governor of California, but I have a very high regard for him. I had a high regard for him when he was attorney general of the State of California. I have a high regard for him as Governor of California. I think it is very easy to give the impression in this debate that the Governor of California is for the bill, unchanged, when he has not had the benefit of a study of the debates and the arguments which have been made.

This afternoon a member of the committee, the Senator from Colorado [Mr. CARROLL], after becoming familiar with the content of the debate, stated on the floor of the Senate that he agrees that section 6(a) should be dropped from the bill.

Mr. President, I ask unanimous consent that the letter which I have received from Miss Bjornson and a copy of the letter she wrote to Governor Brown, be printed in the RECORD, with the understanding that I shall delete from the two letters any language which could possibly violate rule XIX of the Senate.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PIEDMONT, CALIF., May 8, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: Yesterday, I had the privilege of sitting in the balcony of the Senate, listening to the magnificent discussion by both you and Senator DOUGLAS and Senator LAUSCHE. As you may know, I am a resident in the State of California and a member of the Democratic central committee of that State. In 1954, this is incidental, I ran for the Senate and received 130,000 votes. I merely state this to let you know that I have been more than casually interested in politics.

In all my political activity in the State I have fought for the Reclamation Act and I always find that the citizens of my community agreed 100 percent with my interpretation of that basic act. I know, therefore, that if the people of California had heard your speeches yesterday, they would have applauded 95 percent.

Unfortunately, as no one knows better than you how difficult it is to make people aware of the fights that take place in the Congress of the United States as well as State legislatures * * *.

I know Governor Brown personally, and he knows that I have worked in the State for the Democratic Party and also supported him wholeheartedly in every election in which he has been a candidate.

I am enclosing a copy of the letter I am sending to him in regard to the debate which took place yesterday. I hope you have time in your busy schedule to read what I am sending you. I am sending similar letters to Senators DOUGLAS and LAUSCHE.

Thanking you again, and someday I hope you, too, will have your name and picture in the room in the Senate dedicated to great Senators. You surely deserve it.

Sincerely yours,

ANGA BJORNSON.

PIEDMONT, CALIF., May 8, 1959.

Hon. EDMUND G. BROWN,
Governor, Sacramento, Calif.

DEAR PAT: I've been visiting across the country for a few weeks now, and came in to Washington, D.C., just in time to see the Congress in action yesterday. I sat in the balcony of the Senate during the debate on S. 44, the San Luis project. It puzzled me to see a man whom all liberal Democrats admire, Senator PAUL DOUGLAS, of Illinois, take the lead in opposition to S. 44 as offered by our two California Senators, KUCHEL and ENGLE. He pointed out that he was for the development of the water and land potentials of our rich Central Valley, that his opposition to S. 44 was because it destroyed the long-established land policies of this Nation as contained in the acreage limitation law of 1902. As you know, the law provides that Federal monies and subsidies for water development must not result in enrichment of those land profiteers who get more than enough water from such installations than is required for a family sized farm.

When all the camouflage was lifted by Senator DOUGLAS' brilliant attack on S. 44, it was apparent that we are dealing here with an attempt of the big landowners, the corporations like the Southern Pacific with 120,000 acres of land gotten through false promises in which they promised to build a railroad which they never built, get a tremendous windfall through the construction of the San Luis project. What surprised me was that the California Senators did not answer this charge, as the record of the debate amply shows.

But a Senator said on the floor of the Senate that you had proposed a plan for the expenditure of \$11 billion of money in a State water project, which included the State's part of the San Luis. Am I to under-

stand, as a Californian who, as you know has taken and now takes a very active part in the political and public life of the State, that we are to bond ourselves and the next generation for 40 years to come for this enormous sum to benefit the rich corporations owning the bulk of the land to be irrigated by the San Luis project?

I have been proud of our Democratic platform. And when a Senator read a telegram from you on this whole subject, urging the passage of S. 44 as introduced, saying that, at some future time, whenever it seems appropriate, the matter will be taken up with the legislature, imposing acreage limitations through State law to prevent large landholders benefiting from public development of irrigation water, I was astonished.

For surely one could not pass a bad law now and then hope to change the situation at some future time when the dam is built and the water is being spread on the lands of the corporation farms. For we all know very well, that to get legislation passed then, or to get these corporation farms to sign contracts to dispose of their excess lands then, will prove utterly impossible.

Frankly, Governor Brown, I feel it is because these great land owners do not fear the fulfillment of such a promise as was read that they are all supporting the passage of S. 44 now. We, the people of California, and you, their representative, are not going to link ourselves up alongside these land grabbers and speculators by giving them S. 44 as introduced, if we mean to keep faith with the principles of democracy in which we believe.

This is what Senator DOUGLAS told the Senate.

In my humble opinion, you should wire our representatives in both Houses of Congress, while there is yet time to save the San Luis project, to pass a proper measure, seeking those amendments which will insure the application of the acreage limitation law. For this purpose, all of section 6(a) should be stricken.

The language appearing on page 3, lines 2 and 3 should be stricken, reading as follows: "Except so far as the provisions thereof are inconsistent with this act;" and all of section 3, (f), (h), and (g) should be removed. Then the intent of the act will be clearly to make the acreage limitation law apply to these mixed development programs in which the State and Nation have a stake.

Governor Brown, we have a great opportunity to make the State of California into the "land of milk and honey" its people deserve. But we cannot do it by turning over the riches of the State's land and waters to a handful of national corporations for exploitation. Let us live up to the high level of performance we all expect of us as the first Democratic peoples' government in California in a quarter of a century. Let us act on this matter now.

Let us not forget that \$11 billion expanded by the State of California will be a bonded indebtedness of \$21 billion in 40 years. These are tax-exempt bonds from which banks will benefit at a time we cannot find enough money to finance our schools. Why not use the interest free money provided by the Federal Government in the Reclamation Act?

Sincerely yours,

ANGA BJORNSON.

Mr. MORSE. Mr. President, in order that there may be no misunderstanding, when I first received the telegram from the head of the California Grange, Mr. George Sehlmeier, I read it as follows:

California State Grange supports amendments S. 44 all waters delivered from San Luis projects be under reclamation law. Therefore, suggest section 6(a) be deleted from the bill.

When the telegram arrived, it read "suggest section 6 be deleted from the bill." I was satisfied that there was a typographical error. He would not send me a telegram urging that all of section 6 be eliminated, but only section 6(a). So my office got into telephonic communication with Mr. Sehlmeier, and I was authorized to correct his telegram in accordance with his intention when he sent it, so as to read "suggest section 6(a) be deleted from the bill" rather than "section 6."

This means that the head of the California Grange believes that section 6(a) should be stricken from the bill. That brings the head of the Grange in California, along with the leaders of the Farmers' Union, in support of the Douglas-Morse-Neuberger amendment.

In order that I may have it in the RECORD for purposes of reference tomorrow, I invite attention to an article entitled "The Land," published in the Oregon Grange Bulletin for May 5, 1959, discussing the San Luis bill, and giving great support to the position which the Senator from Illinois and the two Senators from Oregon have taken on this issue.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LAND

Ever since its founding, the United States has been fighting to keep vast areas of productive land out of the hands of the few. One result has been that except for minor instances, the United States has avoided the land problems that have haunted most of the rest of the world.

The battle has not been easy. The power that lies in the ownership of huge areas of soil has always attracted men of wealth and ambition. Whole landed empires have been built by individuals in Europe, Asia, and South America. An impoverished peasantry was almost always the result. Revolutions have flourished in the need for land reform.

By and large, American democracy can claim its basic foundation in the family farm of reasonably small dimensions. For more than a century great American figures sprang from the soil. The independent farmer was a figure of sturdy tradition.

One reason for the existence of this kind of rural life was the success of the Federal Government in limiting the amount of land that settlers could farmstead, in limiting the acreage that could take advantage of Federal irrigation projects. The 160-acre quarter section was the standard—at most, 320 acres for a man and his wife.

This 160-acre limitation of irrigated land has always been fought bitterly by land speculators or developers. This has been especially true in desert areas where land can be bought for a song and overnight become immensely valuable should multimillion-dollar irrigation systems be installed by the Government.

This has been especially true in California, in particular the great Central Valley whose topsoil is the richest in the world, needing only water to produce bumper crop after bumper crop. For the most part the water that it has comes through federally built dams and works. This water is subject to the Federal 160-acre limitation except on agreement by the owner to sell his excess irrigable land after 10 years.

Big landowners, at times, have gone along with this stipulation reluctantly. But mostly they have fought in one way or another to break down the 160-acre limitation.

They are doing it now in California's Central Valley in a highly legalistic maneuver that seeks to take advantage of the present States rights and partnership atmosphere so strongly favored by the Eisenhower administration.

The project involves the Federal San Luis service area where irrigation works are to be built serving a large area mostly owned by a relative handful of individuals and corporations. Construction of this project by the Federal Government with Federal acreage limitation provisions included has always been opposed by big leaders among the land interests.

Now, suddenly, everybody seems to be for it. Why? Because a scheme has been developed to circumvent the acreage limitation provision. The proposal is that the Federal and State Governments will build the project jointly.

The Federal part of the project, of course, will come under the Federal 160-acre limitations. But what about the State part which won't get built unless there are Federal funds to start with? Are there adequate provisions in the proposed legislation to make sure that the State doesn't turn around, flaunt the 160-acre limitation and put untold millions of dollars into the pockets of the area's huge landowners who will see their desert holdings turned into gardens at the expense of both National and State taxpayers?

There have been many pious expressions of California politicians that this mustn't happen and won't happen.

Nevertheless, there are other groups that are convinced that this is exactly what will happen unless iron-clad restrictions are placed in the Federal legislation authorizing Federal participation in the project.

What they point to is a clause in the bill now before the Senate which says "the provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis service area."

They see another provision which would make it possible for a complacently minded Secretary of the Interior to turn over the whole business to the State under conditions that would ignore the 160-acre limitations.

And they don't trust the State of California to resist the powerful landholding groups that are well represented both in Sacramento and Washington.

Groups which are alarmed at what they fear are clearly moves to get the camel's nose under the tent are the California Water and Power Users Association, the California Labor Federation, AFL-CIO, the California Federation of Young Democrats, and the California State Grange.

Another strong fighter against the opening of the door to a breakdown of the 160-acre limitation is editor George Ballis of the labor-owned Valley Labor Citizen, published in Fresno, which is in the heart of the Central Valley.

These groups are convinced that unless the huge landowners who will profit enormously by the project are placed under tight recordable contracts to sell their excess land at the end of 10 years, in accordance with previous precedents, the entire 160-acre limitation principle will be at stake and the door will be opened to immensely rich land domains that public policy has always opposed.

They don't want assurances that everything will be all right. They want tight contracts before work is even begun. They have been told that unless the law is passed without such contracts, the project won't be built. In view of the immense principle at stake and the huge windfall that a handful of landowners stand to make, they are willing to risk that.

The acreage in the Federal part of the project totals over 450,000 acres. The State will serve a much larger but as yet not clearly defined area. Some 12 percent of the owners hold over 76 percent of the land. One railroad company, Southern Pacific, holds title to 120,000 acres obtained 75 years ago as part of the biggest Federal giveaway program of all time.

Acreage in the State part of the project is even more extensive.

Some of the other huge owners are: Standard Oil, Tidewater Oil, Shell Oil, DiGiorgio Fruit Corp., the Los Angeles Times, and Kern County Land Co.

In some cases the huge areas go back to the Spanish era before the entry of California into the Union. In others, corporations have systematically bought up large areas of dry land for low prices. In others, as in the case of DiGiorgio, the land was acquired in comparatively recent years.

In any event, land that today may be worth a few hundred dollars an acre will be worth \$1,000 or more once there is a possibility of attaining cheap irrigation water provided by the American taxpayers both on the State and Federal levels.

But even more important than the immense dollar windfalls is the social principle of whether huge land holdings are to be encouraged, "factories in the fields" extended, and the best land in California permanently controlled by the few.

The issue is expected to come under debate in the Senate shortly. What Congress decides to do will be crucial for California's future.

Mr. MORSE. Mr. President, in cooperation with the leadership, I yield the floor at this point, with the understanding that I shall continue my discussion of this issue in the debate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, under the order previously agreed to, I move that the Senate—

Mr. KUCHEL. Mr. President, I should like to ask if my colleagues from Oregon and Illinois will lend me their ears for a moment. Earlier today I asked if there was an opportunity for an agreement to be reached that at a time certain the Senate may proceed to vote. This is the third day now that we have devoted to this proposed legislation. I believe that the record has been thoroughly embellished. Would there be any disposition on the part of my two valiant and valued friends to enter into a reasonable agreement on a time to vote?

Mr. MORSE. I am ready to vote now.

Mr. KUCHEL. Then I wonder, in view of that statement of the Senator from Oregon, if he would agree to a unanimous-consent agreement that we shall vote at a time certain tomorrow, since many of my friends have left the Chamber with the understanding that there would not be any vote tonight.

Mr. MORSE. I would be ready to have a vote on the amendment right now,

without any unanimous-consent agreement.

Mr. KUCHEL. Inasmuch as several Senators on my side of the aisle have been told that there would be no vote this evening, I ask unanimous consent that the vote on the pending amendment be taken 1 hour after the end of the morning hour tomorrow.

Mr. MORSE. I could not agree to that.

Mr. KUCHEL. Two hours after the morning hour.

Mr. MORSE. I could not agree to that.

Mr. KUCHEL. Is my friend from Oregon prepared to enter into an agreement to vote on the amendment at any time tomorrow?

Mr. MORSE. I am for letting nature take its course.

Mr. KUCHEL. I regret that my friend is prepared to vote now, when there are so few Senators in the Chamber, but is not prepared to vote tomorrow at a time certain, when we might have a substantial number of Senators voting on this important issue. Would the Senator from Oregon be prepared to agree to a time certain on Wednesday of this week?

Mr. MORSE. I would rather wait to hear from the country. I will not enter into an agreement now.

Mr. KUCHEL. Is there not some inconsistency in the position the Senator takes? He is prepared to vote now—

Mr. MORSE. I am merely trying to be a good parliamentary general.

Mr. DOUGLAS. I think that, of course, the situation is that if we were to vote now we would win.

Mr. KUCHEL. That is an unfortunate attitude for my able friend, the Senator from Illinois, to take.

I have said that we should vote this issue up or down, but certainly not with only a handful of Senators on the floor. I say we should let the Senate of the United States stand up and be counted.

Mr. MORSE. I am sure the Senator from California has it in his parliamentary power to determine, when this question will finally come to a vote so far as his side is concerned, whenever those who support his position are here. I can assure the Senator that is going to be the position taken by the Senator from Oregon on the opposition side. So we have not reached such a state in this debate when I could possibly agree to fix any time certain, other than now, for a vote.

Mr. KUCHEL. I regret that very much, because if my able friend from Oregon is willing to vote now I do not see why he should not be willing to enter into a unanimous-consent agreement, so that all Senators could be on notice that they would be called upon to vote on this important issue tomorrow.

I simply want the Record to show my regret that that cannot be accomplished.

Mr. MORSE. This is not the time for me to discuss the policy of the Senate of having most of its votes by unanimous-consent agreement. I have long been an opponent of unanimous-consent agreements, as a general policy, for voting in the Senate. I have tried to accommo-

date the leadership in regard to unanimous-consent agreements. However, certain experiences I have had with unanimous-consent agreements have convinced me that they should be a rarity rather than the general rule. All I am doing now is for the first time expressing my general attitude against entering into unanimous-consent agreements to vote except under the most rare circumstances.

ADDRESS DELIVERED BY FORMER SENATOR KNOWLAND AT THE UNIVERSITY OF CALIFORNIA

Mr. KUCHEL. Mr. President, on May 3, at the Bancroft Library, University of California, our former Senate Republican leader, Hon. William F. Knowland, delivered a most interesting address. In the course of it he stated that the papers and documents which he accumulated during his long official life as a Senator will be made available to our great State university. His comments are interesting and constructive. We recall with pleasure his many years of service here, and we remember him as a strong, persuasive Senator, who received the highest honors his Republican colleagues could accord him. But beyond that, our Democratic brethren, like those on this side of the aisle, knew, and know, Bill Knowland as a good friend. I ask unanimous consent that his remarks on the occasion referred to be printed in the body of the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

ADDRESS BY HON. WILLIAM F. KNOWLAND

I am very happy to be back on the campus today. Little did I realize 30 years ago while studying for finals in this great university library that I would one day be delivering a lecture here.

As an alumnus of the university I share the pride of all Californians in our university, which has come to be recognized as one of the greatest institutions of learning in the entire world.

When the invitation was extended to me to speak at this meeting of the friends of the Bancroft Library, I gave considerable thought to the subject matter. Obviously, in the limitations of time from the date of the invitation to today, and in the time allocated for my remarks, you would not expect an historic paper of the first magnitude.

Yet, having such a high regard for our university and the Bancroft Library, I did want to use the opportunity to make a preliminary statement which might be considered as a preface to a subsequent, more detailed, and documented paper on California's growing importance in the political, cultural and economic life of our country.

There is also much that can and needs to be said on the U.S. Senate, as one of the great legislative bodies of the world and the functions of Senate leaders, majority and minority.

In 13½ years in the Senate of the United States, as majority or minority leader for 6 of those years, I have, of course, accumulated a considerable number of documents, letters and memoranda, at least a part of which has invaluable historic interest and significance.

I hope to be able in the near future to bring some order out of the strong boxes, mail bags, and filing cabinets that fill sev-



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: House passed measure deferring until June 1 proclamation of marketing quotas and acreage allotments for wheat. House appointed conferees on second supplemental appropriation bill. Both Houses received from President reorganization plan to transfer forest land exchange and sale authorities from Interior to USDA. House committee ordered reported bill to provide Friday off for holidays on Saturday. Sen. Cotton introduced and discussed bill to coordinate administration of Federal personnel loyalty and security programs.

SENATE

1. RECLAMATION. Passed with amendments S. 44, to authorize Interior to construct the San Luis unit of the Central Valley reclamation project, Calif. pp. 7160-75
- Agreed to an amendment by Sen. Douglas to limit to 160 acres the amount of land for which water from the project may be furnished to each land owner. pp. 7160-70
- Rejected, 24 to 57, a motion by Sen. Williams, Del., to recommit the bill to the Interior and Insular Affairs Committee. pp. 7170-4
- Sen. Williams, Del., contended that the project would increase the production of surplus commodities, particularly cotton, stating that he had been informed by this Department that the amendment by Sen. Russell to prohibit the production of basic commodities on land in the project "would apply to less than one-fourth of the acreage devoted to any of the basic crops." He stated that "the Department of Agriculture did not endorse this bill." Sen. Dirksen

replied that "This subject is under the jurisdiction of the Department of the Interior. I do not know that it is the function of the committee to ask the Secretary of Agriculture or the Department of Agriculture whether this kind of measure should be approved." pp. 7170-2

2. WATER RESOURCES. The Vice President appointed Sens., Martin, McGee, Moss, and Scott as additional members of the Select Senate Committee on National Water Resources. p. 7151
3. FARM PRICES. Sen. Javits inserted an Onondaga County, N. Y., Dairy Farmers of America resolution favoring legislation "to encourage an upward trend in farm prices." p. 7143
4. FORESTRY. Sen. Humphrey inserted an Itasca County, Minn., Board of Commissioners resolution urging Congress "to give favorable consideration to the program for national forests as outlined by the Secretary of Agriculture and take the appropriate action to implement the program." p. 7142
5. EMPLOYMENT. Sen. Bush inserted a statement by Secretary of Labor Mitchell, "Mitchell Predicts Era of Prosperity," expressing pleasure over the increase in employment and stating that "We must have adequate area assistance legislation." pp. 7152-3
Sens. Dirksen and Clark expressed satisfaction over the improvement in the employment situation. pp. 7154, 7176
6. CIVIL DEFENSE. Sen. Young, O., charged that "civil defense as it has been handled in the Nation and as it is presently being handled under the guise of Office of Civil Defense Mobilization is a wasteful, unnecessary, and enormously expensive bureaucracy." p. 7153

HOUSE

7. FORESTRY. Both Houses received from the President Reorganization Plan No. 1 of 1959, which transfers from Interior to Forest Service functions related to exchange of national forest land or timber for other lands in national forests, the sale of tracts of national forest land found necessary for the processing of timber from the Tongass National Forest, the sale of small tracts of acquire national forest land found chiefly valuable for agriculture, and the disposal of common varieties of sand, gravel, stone, pumice and other materials from lands reserved from the public domain under FS jurisdiction. To Government Operations Committee. (H. Doc. 140)
8. WHEAT. Passed without amendment S. J. Res. 94, requiring the Secretary to postpone until June 1 (instead of May 15) the proclamation of marketing quotas and the national acreage allotment for wheat for 1960. This measure will now be sent to the President. p. 7180
9. APPROPRIATIONS. House conferees were appointed on H. R. 5916, the second supplemental appropriations bill. Senate conferees have been appointed. p. 7180
10. PERSONNEL; ACCOUNTING. The Post Office and Civil Service Committee ordered reported two bills: (1) H. R. 5752, to provide for absence from duty by civilian officers and employees of the Government on Fri. when a holiday falls on Sat.; with an amendment to make the bill effective July 1, 1959, and (2) H. R. 6134, without amendment, to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years. p. D345

production of military goods, and technical development. Resources can be diverted at will to meet special requirements. The system has achieved controlled power in the hands of the government, which thus has become a serious threat to free nations. This impressive growth of power has also had great propaganda value in countries where government leadership is weak and poverty is general. Yet Soviet power has been achieved at the expense of the standard of living of the Russian general public, and it has deliberately milked the economies of satellite states. It is not a system which the United States or other free states which have a concern for the well-being of their citizens would care to imitate. Our problem is to continue our open economy which favors individual enterprise and consumer benefits, yet to achieve the voluntary concentration of strength and purpose which will enable our Government to meet the Communist threat.

5. Soviet economic aid: The concentration of political and economic power in the hands of the Soviet Government has enabled it to give economic assistance to underdeveloped countries and to pinpoint this aid at times when and in places where dramatic effects can be produced and the propaganda value of the effort will be great. Governmental control in the hands of a small party elite has permitted rapid decisions and adjustments to meet special circumstances. Our own elaborate and slow governmental process has sometimes presented a contrast which has impressed recipient states unfavorably, despite the far more substantial character of our aid programs. Whereas the Soviets can exploit fully the propaganda possibilities of their gifts or loans and make every effort to do so at the local and personal level, we sometimes make grants only after invidious public discussions of the desirability of doing so and thus arouse doubts concerning our attitudes or motives. The Soviets have cultivated the impression that no strings are attached to their aid. In a formal sense this may have been true, yet the aid has been used to open a backdoor for Soviet influence through technical advisers, propaganda, and close economic ties. We have sought primarily the assurance of productive employment of grants and loans. Yet we have created the impression that our aid is restricted to countries which support us in the cold war or even to those willing to accept defensive alliances, and we have failed to quiet the fears inspired in underdeveloped countries by Communist propaganda that our aid cloaks imperialist designs.

MILITARY ASSISTANCE POLICY

6. Graduated deterrence; massive retaliation: U.S. policy with respect to military assistance, bases, and alliances is purely defensive in purpose. It must depend upon the types of military action which can reasonably be anticipated and their relationship to our security and to the preservation of the free world. The experience of the past decade suggests the probability of military incidents on widely dispersed fronts deliberately provoked to probe the defensive temper of the free world, which can be contained as limited wars by prompt, energetic action. Our interest in dealing with such incidents as limited wars is apparent. Not to meet and suppress such attacks as they occur might result in the passing of free countries under Communist control and the weakening of the will of other free nations to resist. But to meet limited and exploratory attacks by force far greater than is required to contain them might invite major nuclear warfare. Widely dispersed forces of varied character which can apply graduated deterrents proportioned to the magnitude and character of the attack seem to be necessary for the conduct of such limited wars. On the other hand deterrence against all-out nuclear at-

tack must depend upon the capacity and will to reply in kind.

We have considered the question whether capacity for massive retaliation by use of nuclear weapons would in itself suffice as a deterrent to "brushfire" wars without the maintenance of an elaborate set of alliances and overseas military establishments. Such a sole reliance upon major nuclear weapons by the development of a kind of nuclear "fortress America" of missiles and aircraft based here seems to us to overlook the fact that deterrence would depend not merely upon capacity for massive retaliation but also upon the will to use that capacity and upon our success in convincing the Soviets of our intention to use it. We believe the people of the United States would never sanction the use of a major nuclear attack in response to a minor military probe in a remote country, and that the Soviets know this as well as we. Consequently we feel that the only deterrents likely to be effective in restraining limited wars are of the graduated variety. Although we realize that the provision of such deterrents throughout the world imposes a great financial burden and involves us in many incidental problems we see no escape from it.

7. Defensive alliances: Our defensive alliances differ in the degree to which they have been implemented by joint military forces in being. In some cases they are bilateral, in others multilateral. In the case of NATO and OAS they may rest upon a firmer political consensus than in the case of SEATO. The Baghdad Pact, with which we are associated, rests upon no consensus of the Arab World and therefore projects us into problems we might prefer to avoid. All these arrangements, as well as those with Australia and New Zealand, with Nationalist China, with Japan, and with Korea, must be separately weighed in terms of the kind of threat presented in the area concerned. We can hardly suppose that all of these pacts are equally necessary or useful, but we believe all of them have some utility. At the least they serve as a declaration of joint purpose, an assurance of a unified military front. They may provide a framework for consultation, military planning, and acquisition of overseas bases. They give such assurance as we can obtain that military assistance will be applied to purposes useful to the free world. In some cases they permit the organization of joint staffs, the procurement of uniform weapons and supplies, and joint training and exercises. Although they project us into political problems we might otherwise avoid this seems a necessary price to be paid for these advantages. We can only seek the form of political agreement which in each case seems best calculated to assure the desired results. In some cases we have found it necessary to make direct commitments of military manpower in overseas bases in order to make our involvement physically apparent. Elsewhere we find it necessary to provide military equipment in large quantities and training cadres; by doing so we utilize the manpower of other nations in the defense of the free world and reduce the demands upon our own. Where feasible it should, of course, be our aim to move increasingly toward economic aid, some of which may be used by the recipients to develop production of their own military equipment.

POLICY FOR ECONOMIC AND TECHNICAL ASSISTANCE

8. Purposes of economic and technical assistance: It can be said that the object of economic and technical assistance is defense, if by the latter term we mean the preservation of a world in which nations have self-determination and open communication and competition. Certainly we must include in our objectives a stabilized international trade

and must seek to avoid a situation in which controlled economies may be used deliberately to disrupt foreign trade. Except for emergency aid to meet conditions of famine and distress we need not think of our purposes as simply humanitarian, although the humanitarian impulses of our people may bring them support. Our Government can properly proceed from motives of enlightened self-interest, in the conviction that economic stability and progress in other countries will be the best insurance against disruption of the free world and consequent danger to our own institutions.

We need to make our purposes clear, perhaps as much to ourselves as to others, so that directness in administration and single-mindedness as to policy are encouraged. If we can make our objects clear we need not doubt that they will compare favorably with those of the Soviets in the view of recipient states.

9. The recipients of aid: The basic test of entitlement to economic aid or technical assistance should be need and the capacity to utilize the aid effectively in development programs. The fact that a state is considered neutralist with respect to the cold war should certainly not be a bar. Neutralism usually reflects a desire for independence and avoidance of involvement in struggles which might delay internal development. If economic aid can assist a country in these objects the result must be gratifying to the United States, for it will contribute to the spread of free institutions. It may even be that aid can properly be given to Communist states where there is reason to think that it will strengthen their independence from Russian control. We have already adopted this policy with respect to Yugoslavia and Poland. Of course we should avoid assistance to countries which would turn the aid to the support of institutions we seek to combat. Every case will need to be considered individually from this point of view, and we must expect to have some hard choices. For example, there are underdeveloped countries which are not communistic but are controlled by corrupt or despotic governments. We have here to weigh the desirability of helping economic development against the danger of strengthening such regimes.

10. The extent of aid: The amount of aid given to a particular country must be determined by its capacity to put it to productive uses without rapid inflation. In relatively primitive countries caution must also be observed not to build a complex economy faster than the limits of cultural adaptation. A strong economy in the hands of an inept, corrupt, or benighted government is hardly a contribution to free institutions. These facts suggest that technical assistance and development programs for underdeveloped countries should be kept in balance with programs of cultural exchange, literacy, training of teachers, and the like, and that substantial appropriations will be required for these purposes.

From the standpoint of the United States there are also limits to the amount of aid which can be given, but we think these limits have not been reached. It is probable that from \$2 to \$3 billion could be usefully devoted annually to economic aid and technical assistance. Sound distribution of this total would of course require careful consideration in administering the program, and the possibility of limiting the amounts spent should be frequently reviewed. The present contribution of about \$½ billion by the United States does not tax our capacity. An expanded program is desirable.

11. Kinds of aid: The types of aid and proper proportions of each type must be decided individually for each country. Underdeveloped countries are usually in need of technical assistance and long-range de-

velopment capital. In most instances, they are not appropriate recipients of large-scale military assistance. Other countries will require economic and military aid in varying proportions. In the sense of overall policy the United States will probably not find it practicable to reduce military assistance significantly at present, although it seems desirable to reduce it relatively by increasing the programs of economic and technical assistance.

12. Conditions attached to aid: There should be no political or military conditions attached to eligibility to receive economic aid or technical assistance. In view of the false impressions already current on this point a clear disclaimer of such requirements is needed. Perhaps a direct congressional prohibition of such conditions would be useful, as would a skillful information program designed to combat the misapprehensions created by Communist propaganda.

Economic conditions are valid only to the extent that they relate to employment of the aid for productive projects. Aid should not be given for projects which do not contribute to economic development, and aid programs should be reviewed to see that there is no diversion of funds to unauthorized purposes. Any other type of economic condition would not be compatible with our own purpose.

13. Trade versus aid: It is desirable as far as possible to avoid keeping underdeveloped States in the condition of pensioners. For this reason we should move toward long-term low-interest loans and toward such modification of our restrictions upon trade as will enable them to export to us and thus to pay the loans. This will help to produce stabilized economies which will be able to present more inviting opportunities for private investment. Direct grants are in many cases now necessary, but we must find ways to move to bilateral relationships which avoid such direct dependence and provide permanently viable economic arrangements.

14. Surpluses and dumping: A factor which often disrupts international markets is the disposition of States having large agricultural surpluses to dump them upon the world market, thus depressing prices. Some countries, including the United States, encourage such surpluses by artificial price supports designed to improve the relative economic position of farmers. Where famine exists in other countries there is indeed reason to relieve it by making such surpluses available, but this should be done in a way which will minimize effects upon the market. The free gift of surplus crops to another government or selling below the world market will produce difficulties. Grants to enable such governments to buy at market prices would be more satisfactory. Perhaps an international agreement could be reached among the surplus-producing countries either to reduce surpluses or to determine their disposition. An international crop bank might be a possible solution.

15. Bilateral versus multilateral aid programs: In the case of underdeveloped countries we could avoid distrust of our motives by channeling economic aid and technical assistance more heavily through international agencies. Such agencies can also draw upon a wider pool of technical experts available for missions. Such a redirection might well be proposed first upon condition that the Soviet Union follow the same course, but we might find it advantageous to move in this direction even if they refuse. The usefulness of regional planning and administration has also been demonstrated in the Colombo plan and in Latin America.

However, we do not suggest that a single pattern of multilateral aid would serve our purpose. Bilateral programs of economic aid may be more appropriate in the case of

countries having developed economies, since these have less fear of imperialism. Certainly we should deal directly with allies where mixed programs of military and economic assistance are used. Even a complete channeling of economic aid through international agencies would seem undesirable. In some cases a greater proportion of our contribution might go to states we considered to be poor risks. Furthermore, the anonymity of international administration would tend to obscure the large contribution and laudable purposes of the United States. There are cases in which direct aid can work to our advantage. Therefore, we must again consider the cases individually and resolve them on the basis of the factors peculiar to each.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 94) to defer the proclamation of marketing quotas and acreage allotments for the 1960 crop of wheat until June 1, 1959.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon and that Mr. THOMAS, Mr. KIRWAN, Mr. ROONEY, Mr. BOLAND, Mr. CANNON, Mr. JENSEN, Mr. BOW, Mr. JONAS, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1559) to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859, and it was signed by the President pro tempore.

ORDER OF BUSINESS

Mr. MOSS. Mr. President, has the morning hour been concluded?

The PRESIDING OFFICER. Is there further business in the morning hour? If not, the morning hour is concluded.

Mr. MOSS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, Calif., to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the amendments submitted by the Senator from Illinois [Mr. DOUGLAS], on behalf of himself and the Senators from Oregon [Mr. MORSE and Mr. NEUBERGER].

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KUCHEL. Mr. President, I should like to have the RECORD disclose the facts surrounding what we here try to do. First of all, the able Senator from Illinois has suggested that the authorization called for by our bill is not a \$290 million one, but that it is open-ended and that it will involve untold additional millions. I deny it.

All I can do, Mr. President, besides deny that assertion, is to point to the printed hearing on the proposed legislation before the Senate, and most particularly to page 78 of that hearing, in which Mr. Goodrich Lineweaver, of the staff of the Senate Committee on Interior and Insular Affairs, in a memorandum to the junior Senator from New Mexico [Mr. ANDERSON], who was chairman of the subcommittee, stated, in part:

1. The authorization for appropriations in section 6 of the bill is \$290,430,000.

2. Included in this total of \$290,430,000 are: (a) \$10,814,000 for footings and other facilities of San Luis Dam, whereby the capacity may be increased from 1 million acre-feet to 2,001,000 acre-feet (i) if the State comes into the project, or (ii) if the service area of the San Luis project is extended to the Avanol Gap area in the southern San Joaquin Valley;

(b) Four million dollars for additional capacity or facilities at the Tracy pumping plant, under either of the conditions mentioned in (a); and

(c) Two million eight hundred and eighty-seven dollars for San Luis modifications in the event the enlargement project is developed.

The total of these figures provided for in the \$290,430,000 authorization for appropriations is \$17,701,000.

3. This \$290,430,000 appears to be an absolute limitation so far as the facilities mentioned with the respective amounts estimated. Any additional facilities, such as further enlargement of existing canals or additional canals would require reauthorization by the Congress. It is estimated that in event the State project comes in an additional \$5 to \$8 million would be required to finance extra outlet capacity in the dam.

I regret that the Senator from Illinois is not now present in the Chamber. I intend to bring this matter to his attention when he returns.

Mr. President, I observe my friend, the Senator from Oregon, is present in the Chamber. I now observe the Senator from Illinois entering the Chamber. I will repeat what I said.

It is easy, Mr. President, for a Senator in good faith to make a startling charge, without proof and have that charge reiterated outside this hall until finally some believe that perhaps there may be merit to the charge. I said earlier that with respect to the charge of the Senator from Illinois as to what amount is intended to be authorized for appropriation in the bill, it is \$290,430,000. The Senator from Illinois has said again and again that this is not so, and that the proposed legislation would authorize much more than that amount to be appropriated.

I repeat, Mr. President, my denial of that statement. I deny the charge of the Senator from Illinois. Moreover, I point to page 78 of the hearings on the bill and call attention to the statement not of one of the authors of the bill, but of a staff member of the Committee on Interior and Insular Affairs, in the memorandum which he prepared for the distinguished junior Senator from New Mexico [Mr. ANDERSON], who is chairman of the subcommittee.

This is all I can do by way of refuting the charge of the Senator from Illinois, which is not a fact, so I repeat the language:

This \$290,430,000 appears to be an absolute limitation so far as the facilities mentioned with the respective amounts estimated. Any additional facilities, such as further enlargement of existing canals or additional canals would require reauthorization by the Congress. It is estimated that in event the State project comes in an additional \$5 to \$8 million would be required to finance extra outlet capacity in the dam.

Mr. President, basically there is a good faith dispute in this Chamber as to what ought to be done by way of applying or not applying Federal reclamation law in its entirety to the projected Feather River project of the people and of the government of California. And some here believe that, whether the amendment carries or not, Federal reclamation law will not, as it should not, apply to the State projects merely because of joint use of San Luis.

Mr. President, there are reclamation projects in almost all the Western States of America. The United States has been generous with California. In the State of my friend from Oregon, the Government of the United States has invested money, to be repaid as the Federal laws apply, in great reclamation projects. I say to my friend from Oregon, and I know he will agree, there never has been in the history of reclamation legislation one instance in which the Federal Government has sought to make any State comply with Federal law in State water projects.

I believe in the Federal reclamation law. I believe it ought to be upheld. I believe when Federal reclamation proj-

ects are undertaken with money from the Government of the United States, Federal reclamation law ought to apply.

But I also believe that if the State of Ohio, the State of Virginia, the State of Louisiana, the State of Illinois, the State of Wyoming, the State of Oregon, or the State of California desires to bond itself, to borrow money and to construct its own State water system, the Federal Government ought not tell the State the Federal reclamation law must apply.

I desire to refer again to the hearings with respect to the San Luis unit, which are on our desks. Gov. Pat Brown came to Washington, and testified before my committee in the Senate and the similar committee of the House of Representatives in favor of the proposed legislation. I do not need to spend any time observing that Governor Brown and I belong to different political parties. Governor Brown is in favor of the proposed legislation. Governor Brown stated to the members of my committee, Mr. President:

The third point I wish to call to your attention with special force and all of the clarity that I can command is that the State itself is launching an unprecedented water development program of its own. We know that we cannot and should not depend entirely on the Federal Government. I hope and expect that the State of California will commit itself to invest more than \$11 billion in the next 25 years over and above the Federal programs to insure adequate statewide water development. The State is now in the process of earmarking a \$190 million investment fund for these purposes.

And I might add that this investment fund is money that was received from offshore oil reserves in bonus bidding and royalties that we already achieved. So one natural resource, oil, will now be committed to water, if I am successful in my program.

I am sure that the voters will approve a bond issue and I intend and I know that I will get bipartisan support in this—this bond issue which will finance the remainder of the cost. Future generations that will achieve the benefits will share in the repayment of those bonds.

No State has ever launched so great a water program. California recognizes, however, that it cannot do the job alone. The joint venture at San Luis represents, I believe, the best possible example of a proper method for Federal-State action in water resource development.

Thus the bill was fashioned in a way which received the complete, unequivocal approval of the Governor of California and of the various public agencies and conservancy districts north, south, and central in my State. Today it is fair and accurate to say that the people of California are quite united in their earnest petition to the Congress of their country to pass this proposed legislation.

The Federal Government, through the Bureau of the Budget, the Bureau of Reclamation, and the Department of the Interior, has placed its stamp of approval on the pending legislation.

Here is one State in America which has within two of its great valleys a Federal reclamation project called the Central Valley project, where Federal reclamation law applies as it should apply.

Alongside it, and somewhat longer, when it is completed, will be the State of California water project. It will

transport northern surplus water into the parched areas of southern California, along the way assisting all other areas of the State, until finally, \$11 billion will have been contributed by the people of California to its ultimate and complete construction.

In the process of bringing northern water into the southernmost reaches of our State it is necessary, so the State engineers tell us, to construct a storage dam, into which northern surplus waters would be carried, and from which such surplus waters as might be required would be taken from there south. But the Bureau of Reclamation and the Department of the Interior want to give greater service in the Central Valley area, and so they want the service area of the Central Valley project enlarged. For that purpose the Federal Government requires the construction of a storage dam.

The unhappy fact is that there is only one reservoir site available. The Federal engineers say so. The State engineers say so. If there were two reservoir sites available, the State of California could utilize one, and no one would raise any question as to what law should apply. The State law would apply.

The Federal Government could use the other dam site, if there were two, and no one would raise a question as to what law should apply with respect to the reservoir constructed by the Federal Government. Federal reclamation laws would apply. But because there is only one site, I think it is to the credit of the State and the Federal Government that, acting through their engineers and also through their policymakers, they have reached an agreement by which one reservoir site will be utilized for both systems—first, the Central Valley project system now in being, and second, the State of California Feather River project, which is in prospect. For that reason the reservoir would double the capacity which would otherwise be available.

It was at that point in the agreement between the State and the Federal Government that section 6(a) was written into the bill. The same section was in the bill last year, when Senator KNOWLAND and I introduced it. My friend from Illinois [Mr. DOUGLAS] made the same argument a year ago. He was joined by the Senator from Oregon [Mr. MORSE], but the Senate saw fit to repudiate their position, and passed the bill.

As I say, the section with respect to what law should apply, which was in the bill in the last Congress, is now in the bill before us. It is section 6(a). Let me read it again:

SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.

What is meant by that language? I think the report of the Senate Committee on Interior and Insular Affairs de-

scribes it in a rather clear and pithy fashion. Let me read what the report states on that point. On page 8 of the report the Committee on Interior and Insular Affairs says:

The position of the committee is that the Federal reclamation law with respect to acreage limitations should apply only to lands under contract with the United States.

I have said in the Senate and in my State many times that the people of California are indebted to the Federal Government. The Central Valley project represents the difference between economic life and death in the two central valleys. In southern California, where my home is, we are indebted to the great Hoover Dam, which was fought through the Senate years ago by the late great Hiram W. Johnson, a magnificent Senator and a courageous leader in my political party, who fought against tremendous odds in order finally to win approval by the Senate, and thereafter by the House of Representatives, of a gigantic multipurpose structure which today brings water and hydroelectric power into almost every area of southern California.

However, at times in the past the people of my State have had some difficulty in dealing with representatives of the Federal Government, and there have been some unhappy chapters in the history of that relationship. Senators on the other side of the aisle will remember one of my predecessors, Senator Sheridan Downey, a Democrat, who had quite a stormy battle with the Bureau of Reclamation 15 or 20 years ago. I believe that is the reason why this bill contains a statement as to where Federal law should apply and where State law should apply, in order to eliminate the last possible objection which someone might raise at some time against allowing the State to operate its own system the way it desires.

For example, I quote from page 71 of the hearings, in a statement prepared by Warren Butler, vice chairman and a member of the board of directors of the Metropolitan Water District of Southern California. This is a great public agency whose responsibility it is to bring water for domestic purposes into the homes of my city and of most of the other communities in southern California. By way of description of the bill I quote from what he had to say at page 71 of the hearings:

As a measure to increase confidence and avoid misunderstanding, the language of section 7 of S. 1887 of the last congressional session would be restored, so that the point at which Federal laws will cease to apply and State laws will prevail is clearly and unmistakably set forth. In view of the confusion which now exists in many fields over the applicability of Federal and State laws, we think this provision would greatly increase the confidence of our people in the legislation.

Let me say parenthetically, gentlemen, that our concern south of the Tehachapies does not involve this 160-acre limitation as it does north of the Tehachapies. What we are concerned about is like the man who has two bosses. Sometimes he does not know what to do. If you only have one, then you have a situation that is easier to work with.

In a similar vein, I should like to read into the RECORD the text of a telegram which I have received from Stanley W. Kronick. Mr. Kronick is a California lawyer. He has been honored by Gov. Pat Brown with appointment to a position of civic responsibility in the government of my State. This is what he says:

SACRAMENTO, CALIF.,
May 9, 1959.

Senator THOMAS KUCHEL,
Senate Office Building,
Washington, D.C.:

I strongly urge that section 6(a) remain in S. 44. Its inclusion was agreed to by all interests in the State of California, including the State itself and the congressional representatives from the affected areas. The reasons were (1) that Federal law should not control water deliveries by the State from the joint Federal-State project, and (2) that this should be made so clear by the Congress that a contrary argument could not later be made.

The reason Federal reclamation law should not control water deliveries by the State is because the State will contribute its proportionate share of the cost of construction, operation, and maintenance of the joint-used facilities of the project. Federal law should no more apply to proportionate State use of the joint-used facilities than to State use of projects financed and constructed solely by the State.

Section 6(a) was included because it was recognized that in the absence of a clear expression of congressional intent and strong contrary argument might be made, somewhat as follows: Since the proposed San Luis project will be financed partially with Federal funds, the complete joint Federal-State facilities could not have been constructed without the Federal investment. The Federal investment therefore to some extent makes the State water deliveries possible, and as a consequence Federal law applies to such deliveries.

By setting forth this argument, I do not mean to imply that it would necessarily prevail in the courts. But the argument is substantial enough to make it advisable in any event to preclude it by express statutory language. The effort now being made on the Senate floor to delete section 6(a) by those who intend thereby that the Federal acreage limitation will apply to water deliveries by the State is further support that the California interests were right in clarifying the matter by the inclusion of section 6(a).

If section 6(a) is deleted now as a result of the insistence of those who state flatly that they want Federal law to apply to water deliveries by the State, this legislative history might be almost conclusive as to the intent of the Congress that Federal law is to apply to such deliveries. Logically, the only valid argument for deletion of section 6(a) is that Federal law should control water service by the State. To prevent that result it is now plainly imperative that section 6(a) remain in the bill. In the light of the current debate on the Senate floor, I see no other way to accomplish what all the State interests believe is fair and just—that State law shall govern State water delivery.

STANLEY W. KRONICK.

Mr. President, I believe that all of us can be given credit for trying to represent the best interests of our State.

When my friend from Illinois introduced proposed legislation to have the great city of Chicago receive water from one of the Great Lakes, Lake Michigan, he was representing, as he saw the light, the best interests of the State of Illinois.

The fact that our great neighbor to the north, Canada, interposed objections, however sound they may have been, did not dissuade the Senator from Illinois from doing that which the people of his State would, I suppose, want him to do, to stand on the floor of the Senate and in good faith try to obtain more water from Lake Michigan for the great city of Chicago in Illinois.

The fact that the State of Michigan opposed what the Senator from Illinois was trying to do should, I think, be quite irrelevant in judging whether or not my friend from Illinois hewed to the line of the public interest of the people he represents.

It is not for me to say that my friend from Oregon [Mr. MORSE] was right or wrong with respect to the position he took on the Federal reclamation projects in the State of Oregon. I do not know what the situation is in the State of Oregon. I do know that in the Committee on Interior and Insular Affairs charges have been made that a great many landowners in Oregon have waxed wealthy and fat from Federal reclamation projects. But I am certain that if that were the case, it would have the earnest attention of the senior Senator from Oregon.

On the floor of the Senate today, a Democratic Senator and a Republican Senator from California are simply asking in good faith that Congress approve what the Federal agencies involved have already approved, namely, a means whereby waters originating in California can be saved and put to beneficial use. Every year, 3 million acre-feet of water flow from California into the Pacific Ocean, and are lost forever. Here is an opportunity for a generous and a far-sighted Congress to demonstrate once again that when the public interest is at stake, it will respond and will do that which it ought to do, and which it always has done, with respect to water problems in whatever part of the country may be involved.

There is one more thing I wish to say in this argument. I say most respectfully that the Senator from Oregon and the Senator from Illinois have offered an amendment which, in the opinion of the Senator from Illinois, will apply Federal reclamation law to all the waters which enter the dam which is authorized to be constructed by the bill.

I asked the Senator from Illinois if he meant that such an intention on his part would apply to the waters before they flowed into the reservoir. The RECORD does not disclose that the Senator from Illinois answered my question. I think it is fair to say that if the Senator from Illinois were correct in the position he takes as to the intention of his amendment, it would mean that Federal reclamation law would apply to waters of the State system south of the reservoir provided for in the bill, but that waters north of the San Luis Reservoir would not be subjected to Federal law.

Is not that a mockery? Is not that a perfectly ridiculous thing to attempt to wreak on 14 million people? Would

it not provoke sheer devilry in what the Governor of my State, the legislature of my State, and the water districts of my State are trying to do? Of course it would.

If there is a misguided belief that the Senate will be doing something constructive if it votes for the Douglas-Morse amendment, I beg and pray that Senators take another look at it and read the RECORD again. Replete in the last 3 days of speechmaking are repeated charges that large landowners will receive a windfall. All I can say again is that the elected representatives of the people, both from the Democratic Party and the Republican Party, and from a Democratic State administration and a Republican national administration, have joined together in urging that this proposed legislation be passed.

I say in all sincerity that however much in good faith the Senator from Illinois and the Senator from Oregon unquestionably are acting, they are wrong, wrong, wrong in their understanding of the needs and the plight of California, and of what, in good faith, working together, the Federal Government and the State government will be able, in the instance of the St. Louis joint-use reservoir, to do.

I earnestly hope that the amendment will be rejected.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. CARROLL. I believe the senior Senator from California, the junior Senator from California, the people of California, and the courts which may interpret the legislative intent concerning the bill would like to have this statement in the RECORD. The junior Senator from Colorado does not agree with the statements made by the senior Senator from California that inherent in the Douglas amendment is the construction which has just been placed upon it, for the reason which I stated yesterday in debate. So far as I am concerned—and I think it could be easily construed by a court examining this RECORD—that is not the intent of the Douglas amendment. If such were the intent, I might change my position.

I take the position, for the purpose of this RECORD, which might be reviewed by a court, that the objective of the amendment is to insure the preservation of the Federal reclamation laws. That is the interpretation of the junior Senator from Colorado.

My second interpretation is that the amendment does not interfere with waters which arise within California and are under the jurisdiction of California. It does not confer Federal jurisdiction over those waters. I think inherent in the amendment, as the distinguished senior Senator from Oregon has pointed out, to use again his phraseology, are what we call objective facts which may be determined by a court because of the commingling of the waters.

I say this only for the purpose of keeping the record straight, because very easily this matter could be taken into court. I know the distinguished senior Senator from California does not in any

way want to injure the validity of this project or the principles which he has announced in behalf of it.

Mr. KUCHEL. I appreciate the comment of the able Senator from Colorado. I must say that the RECORD will be helped because he has so spoken.

I say to him very frankly that I violently disagree with what the Senator from Illinois has said on the floor of the Senate his amendment will accomplish. I am certain the Senator from Colorado joins me in that disagreement. The Senator from Illinois, if I can quote him correctly, has stated several times that if his amendment shall be adopted, it will mean that Federal reclamation law shall apply to all waters which flow from the joint use reservoir, whether they go into the State system, paid for by the people of the State, or not. I deny that contention. I take it from what the Senator from Colorado has said that he, too, denies it. I take it that I have correctly quoted the Senator from Illinois, generally speaking, concerning the intention with which his amendment has been offered.

But I must say there is merit in the position of the telegram sent by a California lawyer, which I read, that some persons could argue in a judicial proceeding that if at this late date section 6(a) were stricken from the bill it would constitute an intention on the part of the Senate to make Federal law apply, as the Senator from Illinois would say, and as the Senator from Colorado would deny.

Mr. CARROLL. That is the very point of my closing statement on this matter. I think whoever reads the RECORD should understand that there is no perfect unanimity of opinion and, therefore, no clear legislative intent concerning this question.

As I understand the argument made by the senior Senator from Illinois, I think there is considerable merit to his position, but I do not interpret it to be so all destructive and all conclusive as the interpretation placed upon it by the senior Senator from California.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MORSE. I had intended to answer this point in my speech this afternoon; but it is a fact that the Senator from Colorado has hit the nail on the head today with regard to the legal aspects of the matter, so I want to answer the question now.

The lawyer who sent the Senator from California the telegram which he read, has not, in my judgment, read the RECORD of this debate, because I think the conclusion which the lawyer reached in his telegram is highly erroneous.

Let me state again that nothing the Senator from Illinois and the two Senators from Oregon could say in this debate could possibly change existing reclamation law. Existing reclamation law is not changed by debate on the floor of the Senate. To the contrary, Mr. President, what we fear is—and we are satisfied it is true—that if section 6(a) remains in the bill, existing reclamation law will be changed, and will be changed against the interest of the public. So we

are going to do everything we can to try to persuade the Senate to delete section 6(a).

Let me state the situation as I believe it to be: With section 6(a) out of the bill, the Federal reclamation laws will remain unchanged. Then it will be for the courts to determine to what extent, if any, the Federal reclamation laws apply to the various phases of the San Luis project.

But I say most respectfully that what the two Senators from California have been trying to do is to make a record around section 6(a), so that if it does remain in the bill, then that record will be used by the courts as the basis for a finding that it was the intention of the Senate that the reclamation laws should be modified. The legal proposition is just that simple.

If the senior Senator from California and the junior Senator from California do not think section 6(a) changes the existing reclamation laws, why do not they agree to eliminate it?

On the other hand, the fact that they have persistently insisted that section 6(a) remain in the bill is an admission of the accuracy of our case, namely, that what they are trying to do by means of a project bill is to amend the reclamation laws.

If they believe the reclamation laws should be amended, let them come forward with a clean bill which would do just that. I happen to think that the reclamation laws should be amended in some particulars, although I do not think the particular amendment the Senators from California are proposing should be agreed to. But if the Senators from California believe the reclamation laws should be amended, let them come forward with a separate bill to that effect; and perhaps it would be one on which we would like to help them.

But so long as they insist on keeping section 6(a) in the pending bill, and so long as it is our opinion that section 6(a) has the effect of modifying the reclamation laws, we are going to try to get section 6(a) deleted from the bill.

Mr. KUCHEL. Mr. President, let me say that the Senator from Oregon is wrong. I am sure he will agree that the Senate and House of Representatives can, if they wish, either extend reclamation law over non-Federal projects in California simply because one reservoir is jointly used; or they can do exactly the reverse, if they wish to do so.

There is nothing secret about what we have sought to do. As I previously stated, the Senate Committee on Interior and Insular Affairs went on to say, at the time when the bill was reported favorably:

The position of the committee is that the Federal reclamation law with respect to acreage limitations should apply only to lands under contract with the United States.

What is the matter with that? If one contracts with the State of Idaho for water, he should be subjected to the laws of the State of Idaho.

Mr. MORSE. Mr. President, will the Senator from California yield?

Mr. KUCHEL. In a moment.

Mr. President, if one contracts for water with the State of California, he should be subjected to the laws of the State of California.

Mr. DOUGLAS. Mr. President—

Mr. KUCHEL. So, Mr. President, I maintain that it is simply ridiculous to allege that here in the Senate we are trying to change reclamation law. The Senate can change reclamation law if it wishes to do so. A proposal to amend the reclamation law would originate in the Senate Committee on Interior and Insular Affairs, and that is the committee which reported the pending bill; and in writing the bill, the committee tried to indicate where Federal law would apply and where it wanted State law to apply.

Mr. President, I remember, in my first year in the Senate, the extensive debate which involved the tidelands. Do you remember that debate, Mr. President? I do not know whether the people of Michigan had then honored you with public service. That was a notable and long debate.

I am inclined to believe that back of the recommendation by some public agencies in California that section 6(a) be included in the bill was a thought about something like the tidelands controversy. I remember when some of the farmers in the Central Valley were bludgeoned and punished by representatives of the Bureau of Reclamation, and they looked to a Democratic Senator for assistance.

So here is an honest attempt to eliminate any contention, however tenuous, that Federal law should apply to the State system simply and solely by reason of the joint use of this project.

Now I yield to my friend, the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I should like to speak in my own time.

Mr. KUCHEL. Then, Mr. President, if my friend would like to proceed in that way, I yield the floor.

Mr. DOUGLAS. Mr. President, I am sorry my friend, the Senator from California, seems to be leaving the floor, because I want to deal with several questions of fact which he raised earlier today and also yesterday.

My good friend, the senior Senator from California, accused me of making a misstatement as regards the amount of additional Federal money authorized by this bill.

All of us know that there has already been authorized for the Central Valley project approximately \$860 million, of which \$630 million has been expended.

In section 7, in the first sentence, we find the following:

There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes.

Note that this sentence expressly states that this \$290 million is author-

ized for "the works of the San Luis unit other than distribution systems and drains."

The Senator from California says that is all that is authorized in the bill, and that the additional \$190 million which I have mentioned has been conjured up by me, and does not exist in reality.

But I call his attention and the attention of the Senate to the fact that the sentence I have just read is followed by another sentence, namely—

There are also authorized to be appropriated—

Mr. President, let us remember those words—

In addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests.

So in the second sentence of section 7, there is an additional authorization.

And in the committee report, we find the following statement on page 10:

In addition to the main water supply features the San Luis area would require distribution systems, drains, and some deep wells.

In other words, the identical types of work for which additional authorizations are made in the sentence I previously read.

Then we find this:

The estimated cost of these works is \$192,650,000.

So the figure I gave—namely, \$480 million—is correct, and, indeed, is a slight understatement; as a matter of fact, the amount thus authorized would be approximately \$483 million. So that the Senator from California, in his anxiety to convict me of a misstatement, had not read either the bill or the report as carefully as he should have.

Now let me deal with the second question of fact. Yesterday the Senator from California said that I was wrong in my interpretation of the legislation relating to the dam at Pine Flat and the opinion of the Attorney General relative thereto. I had said that the provisions of the Federal reclamation law had been held to apply in the Pine Flat case. The Senator from California questioned that contention.

I put into the RECORD, without reading it, an opinion from the present Attorney General, Mr. William P. Rogers, dated December 15, 1958, and given to the Secretary of the Interior. Those who wish to study this statement will find the opinion on pages 7065 through 7069 of the CONGRESSIONAL RECORD of yesterday. I read a few sentences from that opinion:

The expression of intention that the reclamation laws apply to projects such as are here involved appears too strongly in the legislative history of section 8 to permit its frustration by virtue of any implication which might be drawn from section 10.

For these reasons, I conclude that section 8 makes the reclamation laws applicable to contracts for the disposition of irrigation benefits from dams and reservoirs constructed under the authority of section 10, even if no additional works are required to be constructed in order to make such irrigation benefits available.

In other words, the mere fact that the construction was to be in the hands of the Army Engineers did not remove the provisions of the reclamation laws from applying to the land thus irrigated.

Mr. President, with those two questions of fact cleared up, and the contentions of the Senator from California having been proved to be in error, let me pass, if I may, to one or two other points.

I do not desire to spend too much time on the question of whose waters are involved in the proposed San Luis project.

It is true, I think, that virtually all the water of the Sacramento Valley originates inside the State of California; but the State of California did not provide the vast funds for utilizing those waters. It called on the Federal Government for aid. The Federal Government will be committed, if this bill goes through, to spend \$1,300 million.

It is our contention that when the Federal Government constructs facilities, and when the States come to the Federal Government and ask for money for those facilities, the provisions of the Federal laws should apply to the disposition of the water thus impounded and distributed upon the land which is irrigated.

I will not continue to labor the point that the initial block of some 440,000 acres will all be irrigated by facilities constructed wholly by the Federal Government. That is obvious.

But I should like to emphasize that the so-called second block of 500,000 acres which is designated by the Senators from California as a "State service area" is, in reality, no such thing.

That land will be irrigated by joint facilities: A dam jointly constructed by the State and Federal Governments; a reservoir jointly filled; the Cross Delta Channel, which has been entirely financed by the Federal Government; water that will also be lifted from the Sacramento Valley into the San Joaquin Valley by power supplied largely by Federal dams and power stations upstream.

The new Oroville Dam will probably be constructed in substantial part by Federal funds. Interest-free Federal loans will be sought by the so-called State irrigators.

The whole complex in the Central Valley which has been federally financed is essential for this added amount of water; and it is obvious that the water and the facilities will be commingled; and, being commingled, Federal reclamation laws should prevail.

That is a rough outline of the physical situation. But, of course, the human stake is very great. The question is whether the water is to be put on giant estates for the benefit of the owners of those giant estates, giving them windfalls of tens of millions of dollars, and, in the aggregate, hundreds of millions of dollars, or whether the water shall be used to democratize the use of the land in accordance with democratic landownership policies.

That is the issue. We cannot escape it.

The State of California has no acreage limitation law. If the Federal reclamation law is ruled not to apply to the second block of land—and that is the express effect of the provisions of section 6(a)—then we can be certain that if and when water is put on the second block of land, it will be put on land owned by the large landholders.

The State of California, as I have said, has no acreage limitation. I think it is extremely doubtful that it will enact a law imposing such limitation. In effect, we are being asked to give up the protection which Federal reclamation law already provides for an illusory protection which, in all probability, will not be furnished.

I think the debates which have been going on for almost a week have clarified people's minds on this subject.

I should like to read into the RECORD telegrams which have been coming in from California.

I should like to read first a telegram from Clovis, Calif., addressed to me:

CLOVIS, CALIF., May 12, 1959.

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

I want to add my name in support of your stand on the 160-acre limitation. I am farming with my father and brother on our 100-acre cotton and dairy farm in Fresno, Calif., we are proud that we are growing quality products and at a decreasing cost to our consumers. The San Luis project without an acreage limitation allows large scale farms to grow products at a price which we cannot compete against. The limitation means that we small farmers can continue to operate and many of us will have an opportunity to buy land in the fertile San Luis project area.

Sincerely,

ALBERT NIEPO.

He is not a large landowner, but apparently he is an industrious and hard-working citizen of California, who sees what is coming.

Another telegram addressed to me reads as follows:

CLOVIS, CALIF., May 12, 1959.

The Honorable PAUL H. DOUGLAS,
U.S. Senate, Washington, D.C.:

We favor the reclamation policy of wide distribution of resources and benefits. Our studies led us to conclude that acreage limitation is essential to the preservation of family-size farms and should apply to State service areas. Therefore we heartily endorse the Douglas-Morse amendment to the San Luis bill.

WATER RESOURCES COMMITTEE, LEAGUE
OF WOMEN VOTERS OF FRESNO,
V. COLVER,
J. DUBISCH,
E. HALL,
C. MARICA.

Mr. President, I ask unanimous consent that the remaining telegrams which I have received be printed in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

BERKELEY, CALIF., May 12, 1959.

Hon. PAUL DOUGLAS,
U.S. Senate, Senate Office Building,
Washington, D.C.:

Congratulations to Senators MORSE, NEUBERGER, and yourself on your great fight to

preserve acreage limitation provisions of Federal reclamation law. Our membership of 200 precinct-working Democrats urges your continued effort to delete section 6a and other objectionable provisions from S. 44, San Luis project.

JOHN S. PAGE,
Vice President, Kensington Democratic
Club.

FRESNO, CALIF., May 11, 1959.

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

Congratulations on your wonderful fight on the San Luis bill. I am a student of Fresno State and member of the Young Democrats. I find it frightening that our own Senators won't protect us from the bad parts of this bill. Keep up the fight. We of the valley are behind you.

Respectfully yours,

JOHN ZAVER.

FRESNO, CALIF., May 11, 1959.

Hon. PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

Many of us in the San Joaquin Valley are praying that you and the sponsors of the amendment to S. 44 will be successful. We will be cheering you when you fight on the beaches, in the fields, and in the streets defending the rights of the people.

SUSIE RABOURN,
Legislative Chairman of Fresno
Democratic Women's Club.

FRESNO, CALIF., May 12, 1959.

Hon. PAUL H. DOUGLAS,
Member, U.S. Senate,
Washington, D.C.:

Appreciate your stand on 160-acre limitation. Please use all possible influence to write San Luis water bill without such loopholes as Reclamation Bureau maneuvered at Pine Flat Dam. Acreage limitation will help equalize opportunities for developing this valley and ameliorate present ruthless exploitation of farm laborers.

ROLLIN PICKFORD, Jr.
Mrs. GLENNA PICKFORD.

BERKELEY, CALIF., May 12, 1959.

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

Your support of the excess land law, is very much appreciated here. Stick to it.

EUNICE TRUE GRIFFIN.

BERKELEY, CALIF., May 12, 1959.

Senator PAUL DOUGLAS,
Washington, D.C.:

Congratulations on your struggle to have excess land law apply to hold San Luis project. Please keep up fight.

CARL LANDAUER.

SAN FRANCISCO, CALIF., May 12, 1959.

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

We, as Californians, thank you for your stand on bill S. 44. We urge you to continue your fight.

Mr. and Mrs. PHILIP GREENE.

FRESNO, CALIF., May 12, 1959.

Hon. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D.C.:

Water is the life line of our State. Judicial use of it is essential the 160-acre limitation of Federal use of water must be maintained. We are counting on your support.

Mr. and Mrs. ROBERT REVILLA.

FRESNO, CALIF., May 11, 1959.

Senator PAUL H. DOUGLAS,
Senate Office Building,
Washington, D.C.:

Congratulations on your stand on the 160-acre limitation law which is so vital to the welfare of California. Keep up the good fight.

MARIE R. WOMACK.

FRESNO, CALIF., May 11, 1959.

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

The Young Democrats of Fresno County congratulate you for your courageous fight for acreage limitation and against land speculation in the San Joaquin Valley.

JEFFERSON E. HAHESEY,
President, Young Democrats of Fresno
County.

BERKELEY, CALIF., May 12, 1959.

Senator PAUL DOUGLAS,
U.S. Senate Office Building,
Washington, D.C.:

Appreciate your fight to retain 160-acre limitation on water. Please hold the line in public interest.

WAYNE WELCH.

SAN FRANCISCO, CALIF.,
May 12, 1959.

Senator PAUL DOUGLAS,
U.S. Senate Office Building,
Washington, D.C.:

We Californians are grateful for your gallant defence of reclamation law. Keep up your fight on San Luis.

DANIEL AND MARY DIXON.

FRESNO, CALIF., May 12, 1959.

Hon. PAUL H. DOUGLAS,
Member, U.S. Senate,
Washington, D.C.:

Congratulations on your stand to amend the bill creating San Luis project. One hundred and sixty acres limitation essential to insure equitable distribution cost of obtaining water. As a teacher and social worker, I am in complete support of your amendment.

PATRICIA PICKFORD.

NEW YORK, N.Y., May 12, 1959.

Senator PAUL DOUGLAS,
Senate Office Building,
Washington, D.C.:

Thanks for brave men who defend at San Luis the right of families to make homes on the land.

EDWARD STEICHEN.

Mr. DOUGLAS. The support for a democratic agrarian policy from many representative groups in California is most encouraging.

For all the reasons I have outlined, I hope the Senate will agree to the amendments we have offered.

Mr. MORSE. Mr. President, I wish to speak briefly prior to what I hope will be a vote on the Douglas amendment. Some things were said by the Senator from California which must be answered in the RECORD, in fairness to those of us who respectfully oppose the Senator in this debate.

I wish to restate the legal situation which confronts us. It is a legal situation which in effect has been confessed over and over again by the senior Senator from California, who is insisting that section 6(a) remain in the bill.

I will state the case in this way: Section 6(a) either will or will not affect

Federal reclamation laws. The Senator from Illinois [Mr. DOUGLAS], and the senior Senator from Oregon have repeated over and over again the thesis of their argument, namely, that if section 6(a) remains in the bill the 160-acre limitation will be adversely affected in relation to thousands and thousands and thousands of acres of land in the Central Valley of California, which is admitted to be, if water is applied to it, the most fertile and richest land in the entire Nation.

Mr. President, the Senator from Illinois has put figures in the RECORD to show that in the case of one owner, one large corporation, there is ownership of more than 400,000 acres of this land in question. The Southern Pacific Railroad got the land shown on the checker-board map at the rear of the Senate Chamber at the time of the homestead settlements in this country, on the basis of an understanding with the Government that it would build a railroad, which it never built; in other words, the Southern Pacific Railroad got the land without carrying out its obligation. In this so-called Federal service area, about which we are debating the Southern Pacific Railroad owns 120,000 acres of the rich land.

Mr. President, the two Senators from Oregon and the Senator from Illinois have no intention of failing in their obligation to do everything possible in this debate to prevent the senior Senator from California from succeeding in keeping in the bill section 6(a), which in the opinion of the Senator from Illinois and the Senator from Oregon will affect, and affect adversely, the reclamation laws. That is the legal proposition about which we are talking, Mr. President.

In his remarks of Thursday, the senior Senator from California, backed by the junior Senator, doubted that the Federal Government could "impose reclamation law upon California." The senior Senator, however, said that he felt a specific exemption from the law on the extended San Luis project—mis-called the "State" project because the extension will be the result of substantial Federal expenditures—could avoid possible future lawsuits which might tie up the project.

Can the United States impose reclamation law upon California? To me, this puts the wrong question. The real question is this: Can the United States place upon water developed by Federal projects, restrictions which will prevent this water from being used unjustly to enrich huge corporate landholders?

This is the basic question at issue. S. 44 is not a bill to create a joint State-Federal project for the benefit of all the people of California. Rather, S. 44 is a bill which simply uses the State of California as a conduit for transferring water heavily subsidized by the Central Valley project. The great bulk of this water has been stored by dams which the people of all the States in the Union have helped build in California. Who are the beneficiaries? They are principally a group of large landholders in Southern Kings and Kern Counties, oil companies, the Southern Pacific Co., the Kern

County Land Co., the Tejon Ranch, and other large holdings.

Thus, we have only one more in a long series of devices to avoid the consequences of reclamation law in California.

Years ago the attempt was made to repeal the law in the Central Valley. That effort failed. An attempt was made to bypass the law by having the works constructed by the Army engineers. The Flood Control Act was amended in an attempt to make this device futile—section 8, Flood Control Act of 1944. The amendment has not been successful to date because the large landowners have not signed contracts to abide by the 160-acre limitation.

Various State takeover proposals were made. These fell because they were far too big a chunk for California's taxpayers to swallow.

Now we have the latest device. For a comparatively modest amount, some quarter of a billion dollars, a so-called State project is being pinned on to the tail of the Federal San Luis project. Much of it is not even a new project. It is a new name for an old project, always contemplated in the full development of the Central Valley project, both by Federal and State engineers.

This evanescent project—this new name for an old project—is solemnly held by my good friends from California to be something uniquely Californian, on which applying reclamation law would be a gross intrusion, a violation of sovereignty.

This would be true under existing law without any of the circumspect language of S. 44, if the water being carried was, in fact, water developed solely at State dams and carried to its final point of delivery through a State-financed system.

But this is not, as I have said before, what we are dealing with here. Every drop of water that the State will distribute has been developed by the federally constructed Central Valley project—and I believe that this will be true in the future, on the basis of the record of last Tuesday, Thursday, and yesterday, indicating that the State government, and even indeed the junior Senator from California are seeking Federal funds for the so-called State project. And the power for moving this water of the State project at reasonable cost will exist only because of the Central Valley project power pool, again constructed with great Federal subventions.

This alleged State project we are dealing with, therefore, is merely a vision created in the hope that it can somehow transform everybody's water to water reserved only for a few people. I do not believe that this entity is any different from an irrigation district—which is a State agency, with governmental powers.

In its relations with such entities, and with water users in general, the Federal Government has the undoubted right, and has always asserted it firmly, to govern the policy under which water from dams built under the reclamation law is used.

I quote Senator Newlands, of Nevada, a sponsor of the original reclamation act:

And so the wise policy of the National Government in this act has been to encour-

age homebuilding, and to destroy land monopoly; not only the monopoly of public land, but to break up the existing land monopolies throughout the arid regions. * * *

We provided that water rights could be secured for lands in private ownership within reach of Government projects, to be guarded against monopoly by preventing any proprietor from securing water rights for more than 160 acres, the amount of land fixed in the bill (speech before the Sacramento Valley Development Association, October 1, 1905; in hearings on S. 912, 80th Cong. 1st sess., p. 1326).

Another sponsor, Representative Mondell, of Wyoming, told the House, volume 35, CONGRESSIONAL RECORD, page 6678:

Under nearly every project undertaken (there will be lands in private ownership which deserve to have water, which in equity we should provide) providing their owners are willing to comply with the conditions of the act; and in order that no such lands shall be held in large quantities or by nonresident owners, it is provided that no water right for more than 160 acres shall be sold to any landowner, who must also be a resident or occupant of his land. This provision was drawn with a view to breaking up any large landholdings which might exist in the vicinity of Government works and to insure occupancy by the owner of the land reclaimed.

These quotations could be multiplied as to the firm intent of the law, and I could quote decisions and administrative rulings which specifically carried out the broad intentions of the framers of the law—and I include the Warren Act of 1911, which was designed to facilitate off-project deliveries in accordance with the specific terms of the law. But such elaboration is not necessary to the main point which is simply this: The intent of Congress in writing reclamation law was to prevent land monopoly and to refuse service of water to land monopolists, on or off the project. The question is not one of whose land or whose water but—and here is the crux of our argument—the question is what facilities these waters pass through.

I say again that the so-called State San Luis project is merely another attempt in the long series to avoid the effect of the law which land monopolists have always been fighting. I say that the whole history of reclamation law and its enforcement condemns such attempts and deals firmly with them. I do not believe that we should betray these far-sighted men who wrote the law at the turn of the century by coloring this latest attempt to avoid the plain consequences of a fine law with a pale wash of legality. I say again that if the State or any other non-Federal agency builds a project without Federal funds no special language is required in this legislation to assure that Federal regulations do not apply. Therefore, the special language in 6(a) and other places in this bill is included for the benefit of interests who are or will seek the benefits resulting from Federal expenditure without complying with Federal regulations.

Furthermore, I do not believe that adoption of Senator DOUGLAS' amendment, applying the 160-acre limitation to the so-called joint facilities in the broad San Luis plan will bring about "future lawsuits which might tie up the project," although I will admit that, in the West, wherever there is water, there

is a lawsuit over it. This would be true in any case.

But on what grounds would the Kern County land barons sue?

There is no water right to water that does not exist. A canal is not a stream running by your property. It is not a reservoir under your land. The water is, in effect, owned by a public utility, the Central Valley project and its extensions, and is available to anyone who can reasonably be served by the water under such terms and conditions as the laws governing the utility set forth.

No, gentlemen, the only reason that there is opposition to reclamation law and Senator DOUGLAS' amendment in the so-called joint service area is that the opponents think they have discovered a way around the law.

This opposition is not on the principle of State sovereignty or on any other principle. It is simply on the basis of expediency. Their opposition to a great and good law is, I think, based on the forlorn hope that the Senate of the United States will abandon the trust that the people of the United States have placed in us, and neglect its duty to guard the rights and to promote the general welfare of all the American people. This I believe the Senate will not do. And this, Mr. President, is the point of the argument which is being led here in the Senate by the senior Senator from Illinois [Mr. DOUGLAS].

Mr. President, I state again to the senior Senator from California, "If you think section 6(a) does not make any difference, if you think section 6(a) does not in any way affect the reclamation laws, if you think section 6(a) has no effect whatsoever upon the 160-acre limitation, why do you not agree to strike out the section?"

We have put that question to the Senator time and time again. What is his reply? It is a highly fallacious one, Mr. President. The Senator says, in effect, that he does not want to delete the section because he thinks something which the Senator from Illinois or the Senator from Oregon may have said up to this time in this debate may have some effect on some future court decision applying to the Federal reclamation laws. Mr. President, that is simply a plain absurdity.

The Senator from California read a telegram from a lawyer in California who is supposed to support the Senator's position on this matter, but I respectfully submit it is obvious from the message itself that the lawyer has never read this debate. If the lawyer has done so and gives the Senator that legal advice, I say, most goodnaturedly, the senior Senator from California needs a new lawyer.

Mr. President, what the reclamation laws mean as a matter of law cannot be changed one iota by anything the Senator from Illinois or the Senator from Oregon say in this debate. What the reclamation laws mean from the standpoint of congressional intent has to be determined by the debates at the time the reclamation laws were enacted years and years ago, and not by anything we say in the debate in 1959. That happens to be elementary in regard to statutory

construction. Congressional intent, congressional meaning, and congressional purpose in regard to the reclamation laws were elements which were decided when the reclamation laws were passed.

What the Senator from Illinois and the Senator from Oregon have been saying for days of debate on this measure is that we are asking to have section 6(a) stricken from the bill because we think it is a backdoor attempt to amend the reclamation laws. Of course, if we leave the section in the bill, what the Senator from California says in support of the provision he seeks to have retained in the bill will have tremendous weight before the courts in an interpretation of section 6(a), but it will have no effect if section 6(a) is removed from the bill, because there will not be any section 6(a) for the court to interpret or to apply.

Let me state the point again, Mr. President. As the Senator from Colorado [Mr. CARROLL], a member of the committee, said to me before he left the Chamber for a few minutes on official business, "WAYNE, when you give your next speech hit it again, because it goes to the very essence of this debate."

I respectfully say that section 6(a) is in the bill because the senior Senator from California and those behind section 6(a) are trying to amend the reclamation laws. The Senator from Illinois and the Senator from Oregon are trying to strike section 6(a) from the bill because we say this bill is not the proper vehicle for an amendment to the reclamation laws. I have said over and over in the debate—and I shall state it again—I am perfectly willing to join with the senior Senator from California in consideration of a clean bill which proposes amendments to the reclamation laws, because I think the reclamation laws need to have a little reappraisal and possibly some amendment. But, Mr. President, the pending bill is not the proper vehicle for a consideration of amendments to the reclamation laws.

I state again that section 6(a), as the Senator from Illinois and the Senator from Oregon see it, will have an effect by way of amendment to the reclamation laws, and we do not think that section has any place in the bill under consideration. As a matter of law, deleting the section could not possibly, the senior Senator from California and his lawyer to the contrary notwithstanding, have the slightest effect upon an interpretation of existing reclamation laws, because the question of congressional intent and purpose was determined in the debates when the reclamation laws were adopted in the first instance, and could not possibly be modified by any debate decades later.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KUCHEL. Let me ask my good friend once more what answer he would give me to a specific question.

Section 6(a) provides, as the Senator and I both well know:

SEC. 6. (a) The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage

facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956.

The Senator seeks to eliminate that language. Does the Senator believe that if he succeeds in doing so, the Federal reclamation laws will be applicable to water deliveries under contract with the State of California?

Mr. MORSE. The Federal reclamation laws are applicable to Federal waters, and not to State waters. It is a question for the courts to determine as to what kind of waters are involved in the San Luis project. Both kinds may be involved. Only one kind may be involved. But I say that the floor of the Senate is not the place to determine that legal question, because it requires the presentation of legal proof on a very highly complicated legal issue. I do not propose to vote for section 6(a) to remain in the bill, because the Senator's statement of his own question shows an implied intent on his part to modify the Federal reclamation laws by determining a question of fact on the floor of the Senate, which question ought to be left to the courts to determine on the basis of legal proof.

Mr. KUCHEL. Does the Senator—

Mr. MORSE. I do not know to what extent—

Mr. KUCHEL. Does the Senator—

Mr. MORSE. Let me finish.

I do not know to what extent the San Luis project may involve both Federal and State waters, but I say that the place to determine that question is in the courts, and not on the floor of the Senate.

I have told the Senator from California that I am not for the application of Federal reclamation laws to solely State waters. It would make no difference if I took an opposite view, because they could not possibly apply. But here we have a singular case, a novel case, a precedent-making case; and I want the precedent to be established by the courts by way of judicial determination, and not on the floor of the Senate by political plays. That is my point. So we should allow this kind of mixed case, in which there is involved a basic Federal dam, without which there would be no project at all, to be decided by the courts. We should leave it to the courts to determine to what extent and in what degree the Federal reclamation laws apply.

Mr. KUCHEL. Does the Senator deny the right of the Congress to make a policy decision?

Mr. MORSE. Not at all. I am arguing against the Senator's policy. I am merely saying that it is very bad policy to have this kind of section in the bill, when the Senate does not know any more about the complicated facets of the problem than it does. The bill came to the floor of the Senate with section 6(a) in it. Now we discover that many members of the committee were not even aware of the implications of section 6(a). One member of the committee, when he discovered the implications of section 6(a), asked that he be allowed to cosponsor the Douglas amendment to eliminate it.

Another member of the committee, the distinguished Senator from Colorado [Mr. CARROLL], after he became aware of what was involved in section 6(a), said he favored striking it out, because he did not believe it had received the consideration in committee that it would have received if the committee had been apprised of the implications of the section.

Mr. KUCHEL. First of all, it is exactly the same section that was in the bill a year ago when it passed the Senate. If the distinguished Senator does not deny the right of the Congress to make a policy decision as to whether it believes the State of California should be permitted to apply its own State laws without worry over the attempt by some to impose a Federal reclamation law upon State projects, why can we not establish such a policy?

Mr. MORSE. The Senator is begging the issue. He assumes the result. We say that we do not know to what extent we are dealing with State waters. The senior Senator from California continually talks about a State project, as though this were exclusively a State project. The Senator from Illinois and the Senator from Oregon have been trying to point out that this is a singular case. We do not know where the dividing line is between Federal and State water.

Mr. KUCHEL. What does the Senator mean when he says "Federal water" and "State water"? What does he intend to convey when he uses those expressions?

Mr. MORSE. The meaning is very simple. If Federal water is involved, Federal reclamation laws apply, and the 160-acre limitation becomes automatic.

Mr. KUCHEL. What is Federal water?

Mr. MORSE. If it is State water, the Federal 160-acre limitation does not apply. We are raising the question, What is involved in this project? How much of it is Federal water and how much, if any, is State water? To what extent are the waters commingled; and if they are commingled, have they lost their Federal characteristic and become a part of a State project? Or do they retain the basic Federal characteristic?

Mr. KUCHEL. How would the Senator determine whether a particular quantity of water was State or Federal?

Mr. MORSE. That is exactly what I am trying to tell the Senator. Neither he nor I can determine that question. It is a highly complicated legal question, which calls for legal proof. It should be determined by the courts, and not on the floor of the Senate.

The whole question of Federal facilities is involved. The project involves Federal facilities, which are paid for by all the taxpayers, from California to New York. I believe that the taxpayers across the country have some interest in the project, to see to it that the Federal interest, to whatever extent it exists, is protected. That is why we want to leave the question to the courts. Is the Senator afraid of the judicial process? Would not the Senator like to see the question eventually come be-

fore the U.S. Supreme Court, if it should be carried that far?

Mr. KUCHEL. May I answer my friend?

Mr. MORSE. Certainly.

Mr. KUCHEL. I am afraid that what my friend wants to do is to abdicate the duty and responsibility of the Congress to pass judgment on policy issues.

Mr. MORSE. Not at all.

Mr. KUCHEL. Here is a policy question. Let us go ahead and vote on it.

Mr. MORSE. Quite to the contrary, I am saying that it is such a bad policy the Senator from California is proposing that we should vote it down by eliminating section 6(a) from the bill. That is the legislative duty which faces the Senate. I am in favor of acting upon the policy.

Mr. KUCHEL. The Senator from California is not the author of this bill. He is an instrument by which this policy decision, approved by the Senate Committee on Interior and Insular Affairs, approved by the Governor of California, approved by the State government, and all interested public agencies in California, has been brought to the floor of the Senate, with the request that the Senate approve it.

Mr. MORSE. The Senator has just enunciated an interesting chain of false assumptions. I shall proceed to discuss that chain of assumptions.

I think the Senator is quite wrong if he thinks section 6(a) has all the approval he has told the Senate it has. I wish to tell the Senator why I think so.

Mr. KUCHEL. The Senator has the right to his opinion, but I respectfully say that the Senator from Oregon is wrong.

Mr. MORSE. Very well. I am not interested in exchanging statements that each of us thinks the other is mistaken. I am interested in discussing what I believe to be the facts.

I believe it will be found that the author of section 6(a) on the House side is not insisting that it remain in the bill, whereas the junior Senator from California [Mr. ENGLE]—I do not wish to make this statement in his absence. Much has been said by the senior Senator from California to the effect that there is great unity behind section 6(a). I make the statement on the floor of the Senate this afternoon that there is not the unity behind section 6(a) which the senior Senator from California—I am sure honestly—believes to be the case. He is mistaken if he thinks there is unity behind section 6(a) on the part of the proponents of the bill. He is mistaken if he thinks there is unity in California. The longer this debate continues, and the more the people of California become aware of what is involved in section 6(a), the greater will be the evidence of disunity on this question.

The junior Senator from California has now returned to the Chamber, and I hope he will follow my remarks.

It is my understanding that the junior Senator from California has taken the position from the beginning that he does not believe section 6(a) makes any difference in the bill, so far as the Federal reclamation laws are concerned.

He does not believe that it makes any difference whether section 6(a) is in or out of the bill.

If I have not heard him say so more than once, I should get a hearing aid—and no one has ever told me that I am even slightly deaf.

The junior Senator from California, in my judgment, has never gone as far as the senior Senator from California has gone in respect to section 6(a). He has left me with the impression that he would be perfectly willing to have section 6(a) come out of the bill, because he does not believe it makes any difference whether it stays in or comes out. Of course, the junior Senator from California is in a position that many of us find ourselves in from time to time. He would like to go along with his colleague, because his colleague, the senior Senator from California, happens to be the leader in the fight for section 6(a), and therefore the junior Senator is not advocating deleting section 6(a). But certainly he has made it clear in the debate that he has no objection if it comes out. In other words, he is not insisting that it stay in.

Let me say that I have talked to some other leaders in California.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield. If I have made any misstatement, I hope the Senator will correct me. I do not want to create the slightest wrong impression as to the position taken by the junior Senator from California and as to whatever impression he has left with me.

Mr. ENGLE. The distinguished senior Senator from Oregon has represented my position correctly. In saying that I wish to emphasize again the telegram I have received from the Governor of California. This is what he said. I wish to read it again, because it states my position as well as the Governor's position. He says:

Upon the basis of my own legal analysis and that of all my legal advisors I am convinced that the Federal reclamation laws do and will apply to all Federal facilities and service areas of the San Luis project. In addition, with or without the language contained in section 6(a) under S. 44, the Federal reclamation laws do not and, in my view, should not apply to the State facilities and State service areas of the project.

That is precisely what I think. I believe the Governor has correctly stated the law. If the amendment comes to a vote I intend to vote for keeping the language in the bill, because I believe that the Federal reclamation law should not apply to a State service area. That is what the language in 6(a) provides. However, that is merely a statement of what the law presently provides. Whether in or out of the bill it will not change the law, as the senior Senator from Oregon very clearly has stated time and time again.

Mr. MORSE. In the statement of the junior Senator from California we see again focused what the real difference is in regard to section 6(a) between the protagonists and the antagonists of that particular section. The Senator from

Illinois and the Senator from Oregon do not go so far as do the two Senators from California as to what the application of 6(a) will be. We say, "Let that question be decided by the court." I should like to go down the road with the two Senators from California on the principle that Federal laws can apply only to Federal facilities. However, it is for the court to determine, in the light of the operative facts of a given case, whether we are dealing with a Federal project or with a State project; or, if we are dealing with a mixed project, to what extent and to what degree the Federal reclamation laws apply to that project.

Let me say that I am satisfied the telegram of the Governor of California makes perfectly clear that he is not taking the position that we should modify the Federal reclamation laws in regard to this project. I happen to know that that would necessarily be the case with respect to the Governor of California, because the present Governor of California when he was Attorney General of the State of California took a great reclamation case right up to the United States Supreme Court. The present Governor of the State of California, Pat Brown, is on record over and over again in favor of protecting the family farmer of California and of preventing large landowners from squeezing out the little fellow and making an unconscionable profiteering and privateering profit out of large land holdings.

I cannot quote the Governor of California. I do not purport to quote him. However, I wish to say that, in my judgment, there is in fact, no difference between the point of view of the Governor of California and that of the junior Senator from California. I wish to restate it, because over and over again in the debate the Governor of California has been quoted by the senior Senator from California. I wish to say that I am satisfied the Governor of California does not differ in his opinion from the junior Senator from California [Mr. ENGLE]. In other words, there is not in California the unity which the senior Senator from California suggests in regard to the retention of section 6(a) in the bill.

Let us take some further evidence. Yesterday we placed in the RECORD a telegram from the State Grange of California, urging that section 6(a) come out of the bill. Does that spell unity?

We put into the RECORD yesterday telegram after telegram from farm groups in California, pleading with us that we hold the line until we can get section 6(a) out of the bill. Does that bespeak the unity which the senior Senator from California gave the Senate assurance early this afternoon was the present state of public opinion in California?

Mr. President, we put into the RECORD yesterday telegrams from Democratic leader after Democratic leader in the State of California, urging that section 6(a) come out of the bill. Does that bespeak the unity in California which the senior Senator from California told the Senate earlier this afternoon exists in that State?

It does not. The telegrams continue to pour in. For example, we have a telegram from Mr. Peter Odegaard. He is a great educator in California and the former president of Reed College in my State. He was a candidate in the Democratic convention a year ago for United States Senator, and was defeated by the very able junior Senator from California. He is a recognized civic leader in the State of California. Let us see what Peter Odegaard says:

BERKELEY, CALIF., May 12, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Congratulations on your fight on Senate bill 44 many Californians hope you will continue to press for elimination of exemption provision in section 1 and section 6a and deletion of subsection F, G, H, of section 3.

Best wishes,

PETER ODEGAARD.

We have a telegram from Ralph E. Pruett, a member of the Fresno County Democratic Central Committee. If any county would be benefited by the San Luis project, it is Fresno County. Yet Mr. Pruett says:

FRESNO, CALIF., May 12, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Thanks for good fight on San Luis. Most of us in Fresno County favor San Luis only because irrigation with acreage limitation will make possible family size farms. We oppose San Luis if it is to mean more prosperous plantations and more destitute migrant workers.

RALPH E. PRUETT,

Member Fresno County Democratic
Central Committee.

Mr. President, I ask unanimous consent, without reading the remaining telegrams I have before me, that they be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

FRESNO, CALIF., May 11, 1959.

Senator WAYNE MORSE,
U.S. Senate Office Building,
Washington, D.C.

SIR: Congratulations on your vigorous stand against the efforts of special interest groups who seek to exempt the San Luis project from Federal reclamation law.

RICHARD S. GUERIN NORTH,
Chairman, California Federation of
Young Democrats.

FRESNO, CALIF., May 11, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Sincere thanks from the veterans in the heart of the Central Valley of California on San Luis project bill to enforce 160-acre limitation law. This law is necessary to stop factory farming in California and open more farmland for veterans and small taxpayers.

EVAN MCPHERSON,
Adjutant, Post 884, VFW, Fresno,
Calif.

FRESNO, CALIF., May 12, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Congratulations on your fight for the San Joaquins west side. Acreage limitation prerequisite to remedying the social ills resulting from mammoth farming. More im-

portant than the giveaway are the human values involved.

ROY GREENAWAY,
Vice President, California Democratic
Council.

SAN FRANCISCO, CALIF., May 12, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

California Labor Federation wholeheartedly appreciates your efforts on S. 44 San Luis project on behalf of people of California. Urge you to continue the fight to obtain full application of reclamation law to Federal subsidized water development. We must firmly close the door to unjust enrichment, to monopoly of water resources, and to subsidized giantism in agriculture. Your policy would secure the greatest good for the greatest number, and stop aggrandizement of large landowners.

C. J. HAGGERTY,
Secretary-Treasurer, California Labor
Federation, AFL-CIO.

FRESNO, CALIF., May 12, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Following fight on San Luis; Californians are fortunate to have your loyal support.

LYLE F. GRAY.

FRESNO, CALIF., May 12, 1959.

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

May I, a social worker, add my support to your stand on the San Luis project bill; 160-acre limitation only way to spread cost and benefits of additional irrigation water to promote welfare of all California citizens.

ELAINE GIANNPOULOS.

BERKELEY, CALIF., May 12, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

Thank you for all you are doing to preserve reclamation law in California. Keep up fight until you win for us.

WALTER PACKARD.

BERKELEY, CALIF., May 12, 1959.

Senator WAYNE MORSE,
U.S. Senate Office Building,
Washington, D.C.:

Please do all you can to have the 160-acre limitation law on water. Appreciate your fight in the public interest. Our club is behind you.

GRASSROOT DEMOCRATS.

AUSTIN, TEX., May 12, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

The Texas State AFL-CIO appreciates and endorses the efforts you and Senator DOUGLAS are making to require full application of reclamation law to San Luis project. The money of all the people is being used in this water development project, therefore every effort should be made to insure its benefits going to the many and not the few.

JERRY R. HOLLEMAN,
President, Texas State AFL-CIO.

Mr. MORSE. Mr. President, with the exception of the last one, from the Texas State AFL-CIO, all the telegrams I have received come from California, and they deny and rebut the argument of the senior Senator from California with respect to the great unity in California in favor of section 6(a).

I am about to close, and I shall then ask for a quorum, if that will meet the approval of the acting majority leader.

I hope the Senate will not forget what the legal issue is. All we are asking is that there be stricken from the bill one section which looks as though it is an attempt to amend the Federal reclamation laws, and that we wait to take up any amendment of the Federal reclamation laws by way of a clean bill, because there are many phases of the Federal reclamation laws which I agree ought to be amended. But this is not one of them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morse
Anderson	Gruening	Morton
Beall	Hart	Moss
Bennett	Hartke	Mundt
Bible	Hayden	Murray
Bush	Hennings	Muskie
Byrd, Va.	Hill	Neuberger
Byrd, W. Va.	Holland	O'Mahoney
Capehart	Hruska	Pastore
Carlson	Humphrey	Prouty
Carroll	Jackson	Proxmire
Case, N.J.	Javits	Randolph
Case, S. Dak.	Johnston, S.C.	Robertson
Church	Jordan	Russell
Clark	Keating	Saltonstall
Cotton	Kefauver	Scott
Curtis	Kennedy	Smathers
Dirksen	Kerr	Smith
Dodd	Kuchel	Sparkman
Douglas	Langer	Stennis
Eastland	Lausche	Talmadge
Ellender	Long	Thurmond
Engle	McCarthy	Williams, Del.
Ervin	McClellan	Yarborough
Frear	McNamara	Young, N. Dak.
Fulbright	Magnuson	Young, Ohio
Goldwater	Mansfield	
Gore	Martin	

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senators from Wyoming [Mr. McGEE and Mr. O'MAHONEY], the Senator from Oklahoma [Mr. MONROE], the Senator from Missouri [Mr. SYMINGTON], the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from Alaska [Mr. BARTLETT] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from Idaho [Mr. DWORSHAK] are absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPPEL], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. COOPER] are detained on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendments proposed by the Senator from Illinois [Mr. DOUGLAS], for himself and other Senators, striking out certain provisions of the bill (putting the question).

Mr. KUCHEL. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. MORSE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOUGLAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move to recommit the bill, but before speaking on the motion I ask that the yeas and nays be ordered.

Mr. MANSFIELD. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. The Senator from Delaware has the floor.

Mr. WILLIAMS of Delaware. Mr. President, I move to recommit the bill to the Committee on Interior and Insular Affairs, and I ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I supported the amendment offered by the Senator from Illinois and the Senator from Oregon; however, the adoption of their amendment does not clear up the basic opposition to the bill.

I should like to point out the fact that under the bill we are proposing to spend \$290 million to bring into production new acreage on which to grow agricultural crops which are already in surplus and agricultural crops of which we have an overabundance.

This bill proposes at a cost of \$290 million to the American taxpayers to furnish water to a total of 440,000 acres of agricultural land.

On the basis of estimates submitted by the various Departments the indicated Federal and non-Federal investment costs for irrigating this land would be about \$1,576 per acre.

It simply does not make sense for one agency of the U.S. Government to spend \$290 million to bring 300,000 acres of land into production while at the same time we have another agency of the Government paying hundreds of millions of dollars to farmers for taking land out of production.

This project, if approved, is estimated to increase cotton acreage from 49,200 to 132,000 acres, increase truck crops and alfalfa from none to 88,000 acres, increase irrigated pasture from none to 44,000 acres, increase tree and vine crops from none to 22,000 acres, and increase other field crops from none to 66,000 acres, although there would be a slight reduction in the hay and grain crops acreage.

In defense of this project the proponents claim that criticism of the project's bringing in new acreage, thereby adding to our present agriculture surpluses, has been overcome by the adoption of the so-called Russell amendment.

The Russell amendment which was adopted last Thursday provides that none of the waters provided under this irrigation project can be used for the irrigation of new land upon which any basic crops will be produced. This

amendment specifies new land and will have little effect upon the proposed project by virtue of the fact that this project deals with the irrigation of approximately 300,000 acres of land, all of which has an historical record of being irrigated in that they have been irrigated by deep wells.

To confirm this point, I talked with Mr. John F. Cook, program specialist, Cotton Stabilization Service, who after examining the language of the Russell amendment stated that in the opinion of his Department less than one-fourth of the acreage involved under S. 44 would be affected by the Russell amendment.

Furthermore, I point out that the original justification of this whole project by the Department of the Interior was based upon the assumption that 132,000 acres of the San Luis project will be devoted to the production of cotton, and in estimating the projected income possibilities of the farm land in this new project on page 99 of the Department of the Interior's report the estimated income from these 132,000 acres of cotton is listed at \$15,818,000 annually.

The total estimated production of the 440,000 acres is only \$35,216,000.

Furthermore, as has been pointed out by the Senators from Illinois and Oregon, the major benefits under the \$290 million program would not, as has been suggested, go to many small farmers.

Even the adoption of the amendment offered by the Senator from Illinois and the Senator from Oregon will not entirely remedy this situation. I say that as one who supported their amendment. It would be a simple procedure to break the acreage of land down into small blocks, to form separate corporate entities, or to transfer ownership to individual members of the family.

In any event once the water is made available in the area the land will be used for the production of crops. Whether these crops are produced on large or small farms makes no difference as far as the taxpayers are concerned.

They will be called upon to pay the extra costs of storing these additional crops.

Now, who benefits under this bill?

The Department of Interior report on page 89 states that of the 440,000 acres in the San Luis area, 4 landowners own 143,700 acres; 10 own 68,500 acres; 52 own 111,200 acres; and 64 own 39,700 acres. This means that 130 landowners in the area own a total of 363,100 acres.

As pointed out earlier, based upon the Department of Agriculture's report this project is estimated to increase cotton acreage by 82,000 acres.

The junior Senator from California claimed the other day that the type of cotton produced in California is a different type from that produced in the South and would not be in competition with Southern cotton. I asked the Department of Agriculture to comment upon that question, and I was advised that the cotton produced in the State of California is in direct competition with the Southern cotton; that it is all classified as being upland cotton; and that all the cotton being produced in California is

presently being supported by the Department of Agriculture. California produces the same type of cotton as the South, and it is the same type of cotton of which there is such a surplus.

It is interesting to note that in the year 1958 California produced 1.6 bales of upland or long staple cotton. Loans were made on 835,000 bales, and the Government still holds from the 1958 crop 752,000 bales of cotton produced in the State of California.

In 1957 the Department of Agriculture under the soil bank program paid \$2,741,143.72 to 105 farmers in California for the purpose of getting them to withdraw 28,724 acres from the production of cotton.

The bill proposes to bring into production 80,000 acres of cotton, which is nearly three times as much cotton to be brought into production as was taken out of production by the \$2¾ million payment only 2 years ago.

Now, under S. 44 and at an estimated cost of \$290 million it is proposed that we bring into production 300,000 acres of new croplands, of which amount 82,000 acres will be used for the production of cotton. Other crops scheduled to be produced are also in oversupply.

I repeat, based upon information furnished by Mr. Cook of the Cotton Stabilization Service of the Department of Agriculture, the Russell amendment will not prohibit the production of cotton in this area, as was intended.

Our Government today has in excess of \$9 billion invested in surplus agricultural products. Storage costs alone on these surplus commodities this year will exceed \$600 million.

In one year alone, our Government paid more than \$600 million to farmers for the purpose of encouraging them to let their land lie idle.

Today it is proposed to spend another \$290 million to bring into production 440,000 acres of land.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Do I correctly understand, from what the Senator has said, that the land could be applied to basic crops, including cotton, so that from the point of view of the New England textile plants, which are struggling with a cotton surplus problem, passage of the bill would increase the cotton surplus?

Mr. WILLIAMS of Delaware. The passage of the bill would increase the cotton surplus. The Russell amendment, I was advised by the Department of Agriculture, would apply to less than one-fourth of the acreage devoted to any of the basic crops by virtue of the fact that the land in this area has a historical record of having been irrigated by wells and thereby would not come under the Russell amendment definition as to new lands.

The Department of Agriculture had written a letter to the Department of the Interior commenting upon the bill. I read again the last paragraph of the

letter from the Department of Agriculture to the Department of the Interior:

The project is estimated to increase cotton acreage from 49,200 to 132,000 acres, increase truck crops and alfalfa from 0 to 88,000 acres, increase irrigated pasture from 0 to 44,000 acres, increase tree and vine crops from 0 to 22,000 acres, increase other field crops from 0 to 66,000 acres and to decrease hay and grain crops from 98,700 to 44,000 acres.

I made the statement the other day that while it is recognized and admitted that the Department of the Interior did recommend this project, and perhaps the Bureau of the Budget approved the project, I have been unable to find any evidence—and no one else has come forward with any such evidence—to show that the Department of Agriculture is in favor of the bill. This is the Department which will be called upon to pay to take this land out of production or to support the crops produced. I have talked with representatives of the Department of Agriculture, and they have said they were not asked for an opinion. The Department of Agriculture did write the Department of the Interior and called attention to the fact that adoption of the project would bring into production several thousand acres of new cropland and that these acres would produce crops already in oversupply.

They also bring out the fact that the Russell amendment, even though offered with good intentions, would not be applicable in this particular case because three-fourths of these lands would not fall under the definition of "newly irrigated."

At some future date when we need increased agricultural production to feed an expanded population this project may well be justified, but it cannot be justified today in the face of our huge inventories of surplus products. Certainly it cannot be justified in the face of a \$10 billion deficit.

The point has been made that a special type of cotton, called extra long staple cotton, can be raised on the proposed project. However, I invite attention to the fact that even if this acreage is devoted to the production of extra long staple cotton we already have a surplus of that type of cotton.

We are now having to support the price of extra long staple cotton. The stockpiling agency has 220,000 bales of it on hand which it desires to get rid of. That cotton would be placed back on the market.

All of these crops are in oversupply. No one will deny that fact.

On April 28, 1959, representatives of the Department of Agriculture testified before the Tariff Commission, asking for an increase in tariff or for quotas on extra long staple cotton on the basis that we now have an oversupply of that particular kind of cotton. In their testimony they said that we had a supply large enough to last more than 3 years without any production whatsoever of that particular commodity. As to the other types of cotton, we know that we have millions of bales stored in

warehouses, and we are paying millions to get acreage out of production.

In my opinion there can be no justification for the enactment of the bill at this time, bringing into production this new land, even though it may at some future date be practicable.

I urge the defeat of the bill.

Mr. PROXMIRE. Mr. President, I rise enthusiastically to support the position of the Senator from Delaware. It seems to me that this is about as clear-cut an economy vote as Senators will have an opportunity to cast in this session.

As the Senator from Delaware has pointed out, the bill authorizes \$290 million. That is substantially more than is involved in the present version of the depressed areas bill, which is in the House of Representatives, and which has been denounced from one end of the country to the other as extravagant spending.

This bill would greatly increase the production of farm products, some of which, as the Senator from Delaware has pointed out, are now in surplus.

I should like to reaffirm something I said the other day. While many of the crops proposed to be produced, such as alfalfa, vegetables, fruits, and so forth, are not now in surplus, it seems to me that anyone who has studied the farm problem over the past years must recognize that those commodities might very well be in surplus in the near future.

If there is one truism in agricultural economics, it is that we are now having a technological explosion in farm production.

Another truism is that the demand for food is fairly inelastic. If we increase the production of food the price the farmer receives drops catastrophically.

The bill would do one of two things—or perhaps both. Either it would depress farm income, or it would result in a great increase in the burden on the Federal taxpayer, who would have to take the surpluses off the market if we support farm income.

It seems to me that the issue is very clear-cut. Senators who believe in safeguarding farm income, and those who believe in economy in government, will vote in favor of the proposal of the Senator from Delaware to recommit the bill to the Committee on Interior and Insular Affairs.

Mr. BUSH. Mr. President, I join my distinguished friend from Wisconsin [Mr. PROXMIRE] in complimenting the Senator from Delaware [Mr. WILLIAMS] on his analysis of the bill.

I congratulate the Senator from Delaware on his clear presentation of the fallacy of the bill. It seems impossible that we are about to vote to bring a vast amount of new land under irrigation, so that it can be put into production, while at the same time we are paying large sums of money to induce farmers to take land out of production.

I concur in the thought that Senators who favor economy—or even common-sense—in Government should support the motion of the distinguished Senator from Delaware to recommit the bill. I earnestly hope the Senate will so vote.

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished senior Senator from California [Mr. KUCHEL] a few questions about the bill.

The first question is this: Did the bill receive Senate approval last year?

Mr. KUCHEL. It did.

Mr. DIRKSEN. Were there any dissenting votes last year?

Mr. KUCHEL. There were two.

Mr. DIRKSEN. I ask the Senator whether the bill has the support and endorsement of the Bureau of the Budget?

Mr. KUCHEL. Indeed, it has.

Mr. DIRKSEN. Does it have the support of the Bureau of Reclamation?

Mr. KUCHEL. It has.

Mr. DIRKSEN. Does it have the support of the Department of the Interior?

Mr. KUCHEL. It has.

Mr. DIRKSEN. Is it in line with the administration program?

Mr. KUCHEL. There can be no question about that.

Mr. DIRKSEN. Were all the factors which have been discussed taken into account by the Bureau of the Budget before the bill became a part of the administration program?

Mr. KUCHEL. That is true.

Mr. DIRKSEN. Let me say in response to the distinguished Senator from Wisconsin [Mr. PROXMIRE] that the bill was approved last year. It is within the confines of the President's budget, and it has been carefully thought out over a period of time. So some of the comparisons which are made seem to fall of their own weight. In my judgment they have no substance.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. The Senator from Illinois has enumerated a number of agencies. Will he also ask the Senator from California if he can produce any letter or statement from the Department of Agriculture to the effect that it approves the bill? Certainly the Department of Agriculture is one agency which would be vitally interested in the proposal to bring under cultivation 440,000 acres of land.

Mr. DIRKSEN. The answer to that question is, of course—

Mr. WILLIAMS of Delaware. "No."

Mr. DIRKSEN. The answer is simply this: This subject is under the jurisdiction of the Department of the Interior. I do not know that it is the function of the committee to ask the Secretary of Agriculture or the Department of Agriculture whether this kind of measure should be approved. If it is a measure involving subjects under the jurisdiction of the Department of the Interior, that is the place to go to obtain approval of it, because that agency has jurisdiction of the subject matter. That agency includes the component agency, namely, the Bureau of Reclamation.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator further yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. If this proposal does not fall within the jurisdiction of the Department of Agriculture, I ask the Senator why the Department of the Interior should request the com-

ments of the Department of Agriculture, and why, after receiving the letter from the Department of Agriculture, the Department of the Interior did not send it to the Congress.

I repeat the Department of Agriculture did not endorse this bill. They are not on record as favoring bringing into production new croplands when we already have our warehouses full of surplus crops.

Mr. DIRKSEN. That is a matter of interdepartmental character, and is not a responsibility of ours. I am pointing out the essential fact that I have been given to understand that this bill was a part of the administration's program. It has been approved by the Department of the Interior and the Bureau of Reclamation. It has been approved by the Bureau of the Budget. Certainly it is within the context of the administration's program.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ANDERSON. In addition to its being a part of the administration's program, I suggest, from this side of the aisle, that this is a project which I have gone over with extreme care. I have been over every part of it. I have studied it twice in anticipation of action by the Senate. I wish to say to the Senator from Illinois that it also has the approval of the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs. I believe it to be a fine, worthwhile project and is one which could be adopted without danger to the agricultural situation in the United States.

Mr. DIRKSEN. Mr. President, I am sure that either by silence or otherwise I approved this program last year in the Senate. Obviously in the absence of any argument or contention which would persuade me to vote otherwise, I believe that in the interest of consistency I ought to support the position taken by the distinguished Senator from California.

Mr. KUCHEL. Mr. President, I cannot begin to thank the minority leader for the comments he has just made. I am rather surprised at the opposition of my friend, the Senator from Wisconsin [Mr. PROXMIRE]. My friends from Wisconsin comes from a State which has received munificent treatment by the Federal Treasury in price supports throughout the years. How much of that has come back into the Treasury of the United States? Not a penny.

But here today we have a project which is a reimbursable project, the moneys derived from which will be returned to the Federal Treasury by the water users and by the power users in the State of California. This is no largess. This is something which has the approval of every affected agency. I am greatly distressed by my friend from Delaware [Mr. WILLIAMS]. Is it not fair to say that the approval by the Bureau of the Budget constitutes the approval by the administration? I think so.

It is also fair to point out—and with this I conclude my statement—that the able and distinguished Senator from Georgia [Mr. RUSSELL] offered an

amendment with respect to the so-called basic crops. That is exactly in line with what the Senate did 2 years ago in the upper Colorado River legislation, which was also recommended by the Eisenhower administration.

There is nothing new and novel in the proposed legislation we have before us. Only a few days ago one of the Senators from the State of Washington came to the Senate with a project, likewise recommended. It was approved by the Senate. Why should this proposed project be chosen for opposition?

Mr. WILLIAMS of Delaware. In answer to the Senator from Illinois and the Senator from California I might say that when I opened my remarks I conceded that the project had the approval of the Department of the Interior and the Bureau of the Budget, which indicates that the administration is in favor of it. That, however, does not make it sacred. I have said, and I repeat the statement, if anyone can show me where the Department of Agriculture has indicated in any way that it is in favor of this project, I should like to see it. I cannot conceive that the Department of Agriculture, which asked Congress to appropriate \$600 million annually to pay farmers to take land out of production, should now ask that \$290 million be spent through another agency to bring land back into production.

I did not support the measure last year, and I am not supporting it this year. Whether it passes or not this year is a decision for the Senate to make.

I repeat that, notwithstanding all the arguments which have been made by the proponents of this project, no one denies the fact that the project will increase the surplus farm commodities which are already in oversupply. That statement cannot be denied. It cannot be denied that the project will increase the production of cotton and all the other basic crops, notwithstanding the adoption of the Russell amendment, because the Russell amendment spells out newly irrigated land, and the Department of Agriculture has said that less than one-fourth of the project will fall into the category of newly irrigated land, and that all the rest will come in under old basic allotment.

The enactment of this bill will further increase, through the Commodity Credit Corporation in the Department of Agriculture, the multimillion dollar storage expense of these products. We cannot escape that fact in any manner, shape, or form. I do not believe that the proponents will even attempt to deny it.

Mr. NEUBERGER. I merely wish to make a brief statement in favor of the bill as it stands, and against the motion to recommit it.

I am very much distressed that Senators from the Middle West, particularly, should raise their voices against the bill. Because of a geographic phenomenon, most of the western part of the United States is arid. That whole vast section of the United States which lies between the Great Plains and the Pacific mountain barriers, such as the Sierras and the Cascades, does not have enough water in natural precipitation. There

can be no agriculture in vast sections of California, Oregon, and Washington and in the great mountain States like Arizona, Wyoming and Colorado unless there is reclamation. Theodore Roosevelt recognized that fact, when this great President who was so familiar with the West, established the U.S. Bureau of Reclamation.

I recently saw a compilation prepared by the Department of Agriculture on the vast sums paid in Federal price supports and soil bank payments since those programs were instituted. If I am not mistaken, two of the three crops which have received the largest sums in price support benefactions and soil bank benefactions are mainly grown in the Middle West, and those are corn and wheat. Price supports do not return any direct financial payment to the Treasury.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. NEUBERGER. I shall be glad to yield in a moment. My State receives to some limited degree wheat price supports and soil bank payments. Notwithstanding that fact, in 1957 I was one of only seven Members of the Senate who voted to do away with the acreage reserve of the soil bank, because in my opinion it had become very extravagant and wasteful.

I believe that the distinguished junior Senator from Arizona [Mr. GOLDWATER], who is on the floor, was another Senator who cast his vote in favor of that proposal, as was also the distinguished Senator from Delaware [Mr. WILLIAMS].

I do not see how Senators from the Middle West can say that a reclamation project in one of the States of the Far West is a wasteful project, when most of the cost of the project will be returned to the Treasury in the form of revenues collected for the water and power produced or in the form of amortization for the development of land, and in the payments for pumping. We must even pay for what it costs to pump the water, in addition to the water rights. I believe that is correct.

Mr. KUCHEL. That is correct.

Mr. NEUBERGER. My friend, the Senator from California says it is correct, and of course it is.

By contrast, the vast sums spent for farm price supports and soil bank payments for the development of land, and in the payments are not returned to the Treasury at all. Therefore I do not understand how Senators from the lush Middle West can take the position that the costly price support payments are not a drain on the Treasury, whereas the Federal reclamation projects, which are reimbursable, do constitute a drain on the Treasury. It does not seem to me to be a fair or reasonable contention.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. YOUNG of North Dakota. Is it not true that because of these reclamation projects, millions of Americans have found opportunity in the western part of the United States, and that if we wait for such time as when there will be no surpluses of cotton or wheat, we

will wait until eternity, except if we should go through another wartime period. I believe if we will examine the record we will find that we have always had surpluses of cotton and wheat through long periods of time, except during wartime.

Mr. NEUBERGER. The Senator from North Dakota is eminently correct. He is a man of consistent position. He has supported price support payments, which are important to his great agricultural State, and he has supported, also, the Federal reclamation program which operates in a few parts of the Dakotas and throughout most of the American West.

I think it is a historical fact, which we must recognize, that there would be virtually no agriculture in the Rocky Mountain region if it were not for the Federal reclamation program. When Senators take the floor to urge the defeat of a reclamation project such as this, they are, in effect, saying there should be no expansion of agriculture in most of the American West from the Continental Divide on to the Cascades and Sierras.

I thank the Senator from North Dakota [Mr. Young] for the consistent support he has given to this irrigation program.

Mr. PROXMIRE. Mr. President, in reply to the Senator from Illinois and the Senator from California, the fact that the Bureau of the Budget favors a program should in no way, it seems to me, foreclose the right of Senators to make, or try to make, economies in the program. The minority leader offers the Senate a fantastic argument when he says that this is a program which cannot be cut simply because the Bureau of the Budget has recommended it. I expect to offer amendments in the coming months which will reduce authorizations or appropriations approved by the Bureau of the Budget, whenever I find there is fat—as there is in this case—in their recommendations. They have and will yield to political pressure to advocate unwarranted spending.

The second argument made by the Senator from California and the Senator from Oregon, that this is money which will be returned, and is not simply a gift, is not quite accurate. The fact is that this is largely interest-free money, because it relates to irrigation, as contrasted with bills which so far have been under fire the most in the country, namely, the housing bill and the depressed areas bill. Those are largely loan programs, which make available funds which will be returned to the Federal Treasury without the loss of a nickel, because they will be paid back with interest. Interest loss on this bill may in the judgment of some competent students of the legislation equal the total authorization in the bill; and of course the American taxpayer will have to make up the full interest loss.

The Senator from Oregon makes an excellent point, and the only point, I believe, raised by opponents of reclamation which really relates to the heart of the argument raised by the Senator from Delaware. He points out that it is neces-

sary to have irrigation in the Far West if there is to be any kind of agricultural program at all. Of course, he is correct.

I think the Senate and the House which means the American taxpayers have been enormously generous to that part of our country, and properly so. I think it is highly desirable that there be this kind of program. However, it seems to me that it is a matter of timing. At present, I think it is a master piece of understatement to say there is no need for a greater production of food. It is true that some agricultural commodities are not in surplus, but many of those are likely to be in surplus in the future. However, for the next 5 or 10 years there is not likely to be any vast additional need for cotton, alfalfa, fruits, and vegetables.

It is true that my State of Wisconsin, as well as the rest of the Midwest, has benefited by the price support program. We are very sorry we have found these programs necessary. Democrats and Republicans, alike—farmers, particularly—regret very much the necessity for the price support program. Above all, we want to see programs supported by Congress which will eliminate the necessity for price support programs. We do not want programs which will force us to rely on price supports more in the future than has been the case in the past.

That is exactly what the bill proposes to do. The bill will greatly increase the production of food products which are in competition with similar products grown in Wisconsin, particularly alfalfa. There will be a further increase in the surplus of alfalfa and of milk. This will make it necessary for us to rely even more on price support programs, and we do not like them.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. NEUBERGER. The Senator from Wisconsin regrets the necessity to have a price support program. I may say that we from the Far West regret the necessity to irrigate our arid uplands in order to make them productive. But Almighty God, in His infinite wisdom, did not cause enough precipitation in the form of rain or snowfall to occur there so as to permit agriculture in its natural state. Therefore, it is necessary to have artificial reclamation in the form of canals and storage reservoirs.

I ask the Senator from Wisconsin if in the interest of economy he will offer an amendment to reduce the amount of Federal funds for price supports on dairy products.

Mr. PROXMIRE. I offered an amendment to the principal farm bill last year to do exactly that. I think it would have saved the Government an enormous amount of money. The proposal was supported by every dairy-producing organization in my State. This was a self-help bill which would have prevented dairy surpluses by self-regulation of production with adequate penalties. We favor that kind of action.

Mr. NEUBERGER. Does the Senator favor eliminating price supports on corn and wheat?

Mr. PROXMIRE. I do not want to get into a discussion of that subject; it is an entirely different one. I think there ought to be a farm program which will eliminate the necessity for price supports by a limitation of farm production. But that is entirely aside from the point at issue.

My only difference with the Senator from Oregon is one of timing. I agree, certainly, that assistance should be provided for the reclamation and the irrigation of land in the Far West. I simply say that this is not the time to do a great deal more of it.

Mr. ENGLE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. ENGLE. The area covered by the bill is already in agricultural production. This is not a matter of bringing new land into production; it is a question of changing the type of agriculture. Almost 200,000 acres are producing wheat there now, because it is necessary for the farmers to do dry-land farming, inasmuch as their wells go down from 600 to 2,000 feet. It is my assertion that by putting water on the land, this agricultural area will be transformed from one which produces price-supported wheat and cotton into one where non-price-supported products will be substituted. More melons, fruits, and vegetables will be grown to feed the millions of people who are coming to California. We simply cannot otherwise grow enough of such food to be consumed in the metropolitan centers.

So if the Senator from Wisconsin is arguing that we shall be bringing new land into production, I should say that he does not understand the point. We are not doing that. These lands are at present in production. We are trying to change the nature of the production, so that it will become non-price-supported production.

Mr. PROXMIRE. The facts were specified by the Senator from Delaware [Mr. WILLIAMS]. They have not been challenged. He pointed out that there would be an enormous increase in cotton production and a tremendous increase in alfalfa. Alfalfa is not now supported, but it is directly related to the production of livestock and milk products, which are either in oversupply now or will be in oversupply in the near future.

It makes all the sense in the world that when this much water is put on the land, there will be an enormous increase in the agricultural income in this particular area, at a time when there is a surplus of food in America. Supply will increase further; price will drop. So the effect on the overall farm income will be harmful, will be deleterious, and the effect on the taxpayers will be even more so.

The PRESIDING OFFICER (Mr. HART in the chair). The question is on agreeing to the motion of the Senator from Delaware [Mr. WILLIAMS] to recommit the bill. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senators from Wyoming [Mr. McGEE and Mr. O'MAHONEY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Alaska [Mr. BARTLETT] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senators from Wyoming [Mr. McGEE and Mr. O'MAHONEY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from Idaho [Mr. DWORSHAK] are absent on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPEL], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. COOPER] are detained on official business.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 24, nays 57, as follows:

YEAS—24

Alken	Eastland	Russell
Beall	Ervin	Saltonstall
Bush	Frear	Scott
Byrd, Va.	Keating	Smith
Capehart	Lausche	Stenns
Case, N.J.	Prouty	Talmadge
Clark	Proxmire	Thurmond
Cotton	Robertson	Williams, Del.

NAYS—57

Anderson	Hart	McClellan
Bennett	Hartke	McNamara
Bible	Hayden	Magnuson
Byrd, W. Va.	Hennings	Mansfield
Carlson	Hill	Martin
Carroll	Holland	Morse
Case, S. Dak.	Hruska	Morton
Church	Humphrey	Moss
Curtis	Jackson	Mundt
Dirksen	Javits	Murray
Dodd	Johnston, S.C.	Muskie
Douglas	Jordan	Neuberger
Ellender	Kefauver	Pastore
Engle	Kennedy	Randolph
Fulbright	Kerr	Smathers
Goldwater	Kuchel	Sparkman
Gore	Langer	Yarborough
Green	Long	Young, N. Dak.
Gruening	McCarthy	Young, Ohio

NOT VOTING—17

Allott	Cooper	O'Mahoney
Bartlett	Dworshak	Schoepel
Bridges	Hickenlooper	Symington
Butler	Johnson, Tex.	Wiley
Cannon	McGee	Williams, N.J.
Chavez	Monroney	

So the motion of Mr. WILLIAMS of Delaware to recommit the bill was rejected.

Mr. KUCHEL. Mr. President, I move that the vote by which the motion was rejected be reconsidered.

Mr. ENGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question now is, Shall it pass?

The bill (S. 44) was passed.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ENGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS OF THE FEDERAL RESERVE SYSTEM

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 185, Senate bill 1120, so that it may be made the unfinished business.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1120) to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments.

Mr. MANSFIELD. Mr. President, for the information of Senators, let me say that while this bill has been made the unfinished business, it will not be acted upon until tomorrow. It is my understanding that the introductory statement on behalf of the bill will be made by the chairman of the committee, the junior Senator from Virginia [Mr. ROBERTSON], at the conclusion of the morning hour tomorrow.

The remainder of the session today will be for the purpose of speeches, insertions in the RECORD, and things of that sort. There will be no more votes.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. DOUGLAS. Mr. President, the people of the country won a great victory this afternoon when section 6(a) of the San Luis bill was eliminated.

If this provision is not restored in the House of Representatives, it will mean that the big estates of California in the Central Valley, if they wish to secure the surface irrigation water, can be compelled to dissolve into smaller farms, and there will be a better basis of land ownership and cultivation in this great area.

Mr. President, I think the result of this vote indicates the importance of discussion and debate, because when the bill was brought to the floor on last Tuesday everything was apparently primed for its speedy passage. The committee, with one possible exception, had brought in a report advocating the bill with the inclusion of section 6(a). This provision was supported by the two very amiable, popular, and able Senators from California. The great majority of the membership did not know a great deal about the bill, and therefore was ready to approve it.

I must also admit that the two Senators who primarily took the floor to oppose the measure, the senior Senator from Oregon and the senior Senator from Illinois, would probably never win any popularity contest among the Members of this body.

We had before us for consideration, therefore, a measure with everything in its favor.

The Senator from Oregon and the Senator from Illinois in the debates of last week and yesterday tried to develop the facts in this case, and I think we demonstrated to the satisfaction of those who listened and read the RECORD that, with section 6(a) in it, it was a bad bill.

There were only a few people who listened to the debates. At times it seemed to be a futile exercise. There were only a few people on the floor as we talked against what seemed to be overwhelming odds.

Yet the extraordinary thing is that as the facts were developed one could see the opinion of the Senate change. Senator after Senator took the floor to say he believed section 6(a) was a bad section and should be eliminated from the bill.

The analysis of the bill spread by a process of osmosis through the Senate as a whole, so that those who did not hear the debates nevertheless read the RECORD, or colleagues upon whom they relied relayed information to them. This afternoon it became pretty clear from the voice vote, and was made abundantly clear on the division vote which was taken, that it was the overwhelming opinion of the Senate that section 6(a) should be eliminated from the bill.

This was both a great victory for the people and also a demonstration of the value of discussion and debate. There has been too much of an idea, Mr. President, that important public matters should be settled off the floor, should be settled by secret arrangements, and that debate itself should be minimized and curtailed, being at best useless and at worst actually harmful.

I hope our experience in this debate will encourage other Senators from time

to time, when they feel strongly about a measure and feel informed about that measure, to take the floor of the Senate and to express their convictions honestly and accurately. I hope, therefore, that this discussion may pave the way for something of a change in Senate procedure in this matter.

I also wish to pay tribute to the many people in California who, amidst discouragements and great pressures, have remained faithful to the ideal of a democratic system of ownership of land—humble men and women, farmers, laborers, scholars, and editors of small papers who have made great sacrifices.

I also wish to pay tribute to those who in the past have held up the ideal of the 160-acre limitation and the broad ownership of land, and who were punished for their convictions. These are people who have been boycotted and blacklisted in the valley and throughout California because of opinions which they have held. There are heroic public figures such as Helen Gahagan Douglas, who went down to political defeat in 1950 in part because she stood for this principle. These people perished along the wayside—in some cases physically and in other cases politically—but they kept the spark of revolt against land monopoly alive. Without them the victory which was won this afternoon would not have been possible. I salute these men and these women. I thank them for all they have done. I pay tribute to them.

I also wish to thank the two Senators from Oregon, both the senior Senator and the junior Senator, for the magnificent help, assistance, and leadership they gave in this debate, which are really beyond praise.

I also wish to pay tribute, if I may, to the two Senators from California, the senior Senator and the junior Senator. We had a hard struggle. It was a vigorous fight, but the Senators from California fought fair and preserved throughout the personal friendliness and amiability we should all have in our relationship with those with whom we may disagree. I wish to say that on my part I have only the kindest, warmest, and friendliest of feelings for both these fine Senators.

I believe that in its final form the measure, while it is costly, will probably in the long years ahead pay out, because the land is extremely fertile. I can only hope that the retention of the 160-acre limitation will prevail in the House and will be present in the final bill.

I wish to say to my good friends from California that if by any chance section 6(a) should reappear in the bill in any form the Senator from Illinois will fight the proposed bill, as he has stated, on the beaches, in the fields, and on the streets, to the very end.

I voted for the bill once section 6(a) had been eliminated. But if section 6(a) comes back into the bill, I believe it will be found that the Senator from Illinois, the Senators from Oregon, and other Senators will be quite vigorous in their opposition.

STATEMENT BY SENATOR SCHOEPPEL ON NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE

Mr. DIRKSEN. Mr. President, the distinguished Senator from Kansas [Mr. SCHOEPPEL] yesterday made a robust statement before the Committee on Interstate and Foreign Commerce on the nomination of Lewis L. Strauss to be Secretary of Commerce. I believe the statement is enlightening, and is worthy of a place in the RECORD. I therefore ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ANDREW F. SCHOEPPEL AT HEARING OF SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE DURING HEARING ON NOMINATION OF LEWIS L. STRAUSS TO BE SECRETARY OF COMMERCE, MAY 11, 1959

Now that we are entering what I hope will be the final week of our hearings on the nomination of Lewis L. Strauss to be Secretary of Commerce, I want to make a brief statement as ranking minority member on the way the committee has handled this nomination. Those of the minority with whom I have talked do not want our silence thus far to be taken as approval of or acquiescence in the extraordinarily hostile approach that has been taken toward the nominee in the name of our committee. Others may wish to make their own or supplementary remarks.

We Republicans are a minority of 6 on a committee having 17 members. We cannot control what is done in the name of our committee, but we can protest, and this I am now doing. In so doing, I recognize that there may be and likely are members of the majority who have neither authorized nor approved the conduct I condemn. Their influence should be helpful in bringing about much needed correction.

It was anticipated, of course, that the nomination of Lewis L. Strauss would not meet with universal acclaim. He is a strong-minded man who has for years carried the responsibility for decision in areas roamed by other strong-minded men. In particular, we were aware of his opponents among proponents of public power and the long-standing series of disagreements between the nominee and the present chairman of the Joint Committee on Atomic Energy. We thought it likely that Senators active in the Dixon-Yates inquiries as well as the chairman of the Joint Committee on Atomic Energy would want to oppose the Strauss nomination vigorously.

It does not seem appropriate to us that our committee be turned into a practice hall for the 1960 senatorial campaign or into an arena for the settlement of old grudges. Therefore, in behalf of the minority, I suggested to our committee chairman that we invite our Senate colleagues, if interested, to appear as witnesses before our committee or to submit questions through the chairman, but that we limit questioning of witnesses to members of our own committee and to properly designated members of the committee staff. Chairman MAGNUSON agreed and announced at an executive session of our committee that, without objection, such a course would be followed. Thereafter, letters to that effect went to all Senators.

It came as quite a surprise to the minority when a Senator not on this committee began his testimony by saying that he had not

availed himself of the general invitation issued by our committee but had responded to a special invitation dated April 22, 1959, in which our chairman told him:

"I feel very strongly that it is important to our consideration of this nomination that you appear and outline for our committee the record of Mr. Strauss' dealings with the Joint Committee and lend us the benefit of your opinions with regard to the important questions raised in connection with this nominee."

The minority members were not advised that any such letter had gone out. It has had these consequences that could have been anticipated and should have been avoided: A Senator not a member of our committee has dominated our public hearings, sat with the members of our committee, vicariously cross-examined the nominee, and, behind the scenes, has participated in planning an examination of a kind wholly inappropriate to our purposes. It would be appropriate at all only if Mr. Strauss were being considered for another term on the Atomic Energy Commission. We deplore this usurpation. It should have been resisted by the majority.

Normally, nominations referred to our committee are handled with the assistance of the regular committee staff. However, after slightly earlier oral notice to me, the other minority members learned on April 8, through a committee press release, that an attorney had been hired by the committee as special counsel for the Strauss hearings. Later, an assistant was hired for the special counsel, but no press release was issued and his presence on the staff came to public knowledge only when he was mentioned during the hearings as having custody of some Civil Aeronautics Board files which the nominee had been seeking to examine in order to prepare rebuttal testimony.

The chairman's private office adjoining the Commerce Committee's quarters has been turned over to the special counsel, and there, almost half a city block away from the room which the minority clerk and the minority counsel share with others of the committee staff, people come and go who are zealous to block the confirmation of Secretary Strauss. While any intent to act in secret is now denied, the practical reality is that the minority members of this committee have been kept in the dark and the office of special counsel, under some urging unknown to us, has become the office of special prosecutor.

We of the minority concede that a more timely protest on our part could have averted some of the matters of which we complain. We explain our tardiness on three grounds: the natural reluctance of each of us to place any restriction on any other Senator, our desire to avoid emphasizing partisanship in the consideration of this nomination, and our hope that correction would come in due course from the majority.

There are some signs that this is now beginning to happen. Objection has been voiced on the majority side to the latitude allowed witnesses in stating undocumented opinions, and just last Saturday, special counsel offered to open to minority inspection such unsolicited communications from outside the Senate as have been sent to the committee or its chairman with respect to the pending nomination.

It is not too late to get this matter firmly back on the track. As the record stands, a few events in the long public life of the nominee have been singled out for an inordinate amount of attention. They are all past history. Historians, not this committee, will have to decide as to each event who was right and who wrong, or whether under the pressure of strong emotions mountains were made of molehills.

In our view, the majority members of this committee have the responsibility for correcting the distortions that have entered the record of these hearings. Theirs is the responsibility so to conduct the hearings that exhumed controversies outside this committee's jurisdiction will not becloud or crowd out testimony relevant to the nominee's fitness for the post to which he has been named. It is the majority's responsibility to protect the nominee against demands that he show more than mortal skill in remembering and describing events long past, and more than mortal patience when attacks on his truthfulness and integrity are dignified and endlessly repeated.

It is up to the majority to conduct these hearings in a climate in which it becomes easy to recognize that truth does not spring automatically from the lips of the accuser and falsehood automatically from the lips of the accused. Most important of all, it is up to the majority to reclaim effective control of these proceedings, to restore dignity to them, and to push them to an early conclusion.

UNEMPLOYMENT STATISTICS

Mr. DIRKSEN. Mr. President, supplementing the statement made by the Senator from New Hampshire [Mr. BRIDGES] on Monday on the new unemployment statistics just released by the Labor Department, I should like to add that an employed labor force of 65 million for April is an all-time high for that month. The increase in employment by 1.2 million in April as compared with March is very impressive. With it unemployment was down by 735,000 last month. That leaves a total unemployed force of 3.6 million, or 5.3 percent of the employed total.

Both the drop in unemployment and the increase in employment is double the seasonal expectations. These figures should inspire confidence in the vitality of our economy and also in the national administration.

By this I do not mean to say that with an unemployed force of 3,600,000 we should be complacent or that the battle is entirely won. The Eisenhower administration is dedicated to a strong national economy founded on right policies and this program will continue.

One more observation is in order. It is quite clear that Secretary Mitchell will not have to eat his hat. At the AFL-CIO Jobless Conference in Washington in April, Secretary Mitchell stated his conviction that unemployment would be down to 3 million and employment up to 67 million by October. We are in the month of May and if nothing more than normal seasonal increases occur between now and October, the unemployed will drop to 2.8 million and the employed will increase to a figure of 67 million. It is quite certain that Secretary Mitchell will not be called upon to eat his chapeau.

Mr. President—

The PRESIDING OFFICER. The Senator from Illinois.

U.S. DISTRICT ATTORNEY FOR THE NORTHERN DISTRICT OF ILLINOIS

Mr. DIRKSEN. Mr. President, a statement appeared in the House hear-

ings on the Department of Justice appropriation bill for fiscal 1960 which relates to the U.S. attorney for the northern district of Illinois.

The chairman of the subcommittee addressed a question to the budget officer of the Department of Justice based on a report by the House Judiciary Committee with reference to the conduct of Robert Tieken, the U.S. attorney for the northern district of Illinois. The question related to what had been done by the Attorney General with reference to the conclusions and recommendations in that report, to which the Attorney General provided the following information:

Mr. CELLER's letter transmitting the report was received in the Department on August 27, 1958. Careful consideration has been given to its conclusions and recommendations. Mr. Tieken's term expired March 17, 1958. The person to succeed him has not yet been recommended to the President, but such a recommendation for another person will be made in the very near future.

I have been queried concerning this statement since the hearings became public. More than 5 years ago I submitted Mr. Tieken's name for U.S. attorney, because I deemed he would be competent, courageous and vigorous in carrying out his duties in a very sensitive office.

I have known Mr. Tieken for 25 years, and when I submitted his name I was more than confident that he would perform the duties of the office in a satisfactory way and bring to the people within the jurisdiction of that office the kind of vigorous law enforcement which they expected and to which they are entitled.

Nothing has arisen in all the intervening years to change my mind regarding his integrity and ability. The record achieved by him and his associates in that office is unexcelled in any area of the Nation. I have submitted no other name to replace him nor have I asked him to resign. I expect him to continue in that office and to conduct it in the same capable fashion which he has done in the past.

PANAMA DANGER ZONE

Mr. MARTIN. Mr. President, for more than a decade I have followed interoceanic canal problems closely and made many statements thereon in and out of the Congress, particularly with respect to the question of canal defense and Isthmian canal policy. These matters are now being studied by a board of consultants under the direction of the Committee on Merchant Marine and Fisheries of the House of Representatives.

Thus, it was most gratifying to read in the May 9, 1959, issue of the Saturday Evening Post a highly informative article on the canal question by Demaree Bess, one of its distinguished contributing editors specializing in foreign affairs. I commend it for reading by all Members of the Congress and other agencies of the Federal Government concerned with canal matters.

86TH CONGRESS
1ST SESSION

S. 44

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 1959

Referred to the Committee on Interior and Insular Affairs

AN ACT

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. (a) That for the principal purpose of fur-
4 nishing water for the irrigation of approximately five hun-
5 dred thousand acres of land in Merced, Fresno, and Kings
6 Counties, California, hereinafter referred to as the Federal
7 San Luis unit service area, and as incidents thereto of fur-
8 nishing water for municipal and domestic use and providing

1 recreation and fish and wildlife benefits, the Secretary of
2 the Interior (hereinafter referred to as the Secretary) is
3 authorized to construct, operate, and maintain the San Luis
4 unit as an integral part of the Central Valley project. The
5 principal engineering features of said unit shall be a dam
6 and reservoir at or near the San Luis site, a forebay and
7 afterbay, the San Luis Canal, the Pleasant Valley Canal,
8 and necessary pumping plants, distribution systems, drains,
9 channels, levees, flood works, and related facilities. The
10 works of the San Luis unit (hereinafter referred to as joint-
11 use facilities) for joint use with the State of California
12 (hereinafter referred to as the State) shall be the dam and
13 reservoir at or near the San Luis site, forebay and afterbay,
14 pumping plants, and the San Luis Canal. The joint-use facil-
15 ities consisting of the dam and reservoir shall be constructed,
16 and other joint-use facilities may be constructed so as to
17 permit future expansion; or the joint-use facilities shall be
18 constructed initially to the capacities necessary to serve both
19 the Federal San Luis unit service area and the State's service
20 area as hereinafter provided. In constructing, operating,
21 and maintaining the San Luis unit, the Secretary shall be
22 governed by the Federal reclamation laws (Act of June 17,
23 1902, 32 Stat. 388, and Acts amendatory thereof or supple-
24 mentary thereto). Construction of the San Luis unit shall
25 not be commenced until the Secretary has (1) secured, or

1 has satisfactory assurance of his ability to secure, all rights
2 to the use of water which are necessary to carry out the
3 purposes of the unit and the terms and conditions of this
4 Act, and (2) received satisfactory assurance from the State
5 of California that it will make provision for a master drain-
6 age outlet and disposal channel for the San Joaquin Valley,
7 as generally outlined in the California water plan, Bulletin
8 Numbered 3, of the California Department of Water Re-
9 sources, which will adequately serve, by connection there-
10 with, the drainage system for the San Luis unit or has
11 made provision for constructing the San Luis interceptor
12 drain to the delta designed to meet the drainage requirements
13 of the San Luis unit as generally outlined in San Luis
14 project report by the Bureau of Reclamation of May 1955,
15 as transmitted to the Congress by the Secretary of the Inte-
16 rior, December 17, 1956.

17 (b) No water provided by the Federal San Luis unit
18 shall be delivered in the Federal San Luis service area
19 to any water user for the production on newly irrigated
20 lands of any basic agricultural commodity, as defined in
21 the Agricultural Act of 1949, or any amendment thereof,
22 if the total supply of such commodity for the marketing year
23 in which the bulk of the crop would normally be marketed
24 is in excess of the normal supply as defined in section 301
25 (b) (10) of the Agricultural Adjustment Act of 1938, as

1 amended, unless the Secretary of Agriculture calls for an
2 increase in production of such commodity in the interest of
3 national security.

4 SEC. 2. The Secretary is authorized, on behalf of the
5 United States, to negotiate and enter into an agreement
6 with the State of California providing for coordinated opera-
7 tion of the San Luis unit, including the joint-use facilities,
8 in order that the State may, without cost to the United
9 States, deliver water in service areas outside the Federal
10 San Luis unit service area as described in the report of
11 the Department of the Interior, entitled "San Luis Unit,
12 Central Valley Project," dated December 17, 1956. The
13 Secretary shall not commence construction of the San Luis
14 unit, except for the preparation of designs and specifications
15 and other preliminary work, until the execution of such an
16 agreement between the United States and the State, but
17 if such an agreement has not been executed by January 1,
18 1962, and if, after consultation with the Governor of
19 the State, the Secretary determines that the prospects
20 of reaching accord on the terms thereof are not reason-
21 ably firm, he may proceed to construct and operate the San
22 Luis unit in accordance with section 1 of this Act: *Provided*,
23 That, if the Secretary so determines, he shall report thereon
24 to the Congress and shall not commence construction for
25 ninety calendar days from the date of his report (which

1 ninety days, however, shall not include days on which either
2 the House of Representatives or the Senate is not in session
3 because of an adjournment of more than three days). In
4 considering the prospects of reaching accord on the terms
5 of the agreement the Secretary shall give substantial weight
6 to any relevant affirmative action theretofore taken by the
7 State, including the enactment of State legislation authoriz-
8 ing the State to acquire and convey to the United States
9 title to lands to be used for the San Luis unit or assistance
10 given by it in financing Federal design and construction of
11 the unit. The authority conferred upon the Secretary by
12 the first sentence of this section shall not, except as is other-
13 wise provided in this section, be construed as a limitation
14 upon the exercise by him of the authority conferred in
15 section 1 of this Act, but if the State shall agree equitably
16 to share the total cost of constructing the joint-use facilities
17 and as a part of its share shall make available to the Secre-
18 tary sufficient funds to pay the additional cost of designing
19 and constructing the joint-use facilities so as to permit en-
20 largement, it shall have an irrevocable right to enlarge or
21 modify such facilities at any time in the future, and a
22 perpetual right to the use of such additional capacity: *Pro-*
23 *vided*, That the performance of such work by the State,
24 after approval of its plans by the Secretary, shall be so
25 carried on as not to interfere unduly with the operation

1 of the project for the purposes set forth in section 1 of
2 this Act: *And provided further*, That this right may be
3 relinquished by the State at any time at its option.

4 SEC. 3. The agreement between the United States and
5 the State referred to in section 2 of this Act shall provide,
6 among other things, that—

7 (a) the joint use facilities to be constructed by the
8 Secretary shall be so designed and constructed to such
9 capacities and in such manner as to permit either (i)
10 immediate integration and coordinated operation with
11 the State's water projects by providing, among other
12 things, a capacity in San Luis Reservoir of approxi-
13 mately two million one hundred thousand acre-feet and
14 corresponding capacities in the other joint-use facilities
15 or (ii) such subsequent enlargement or other modifica-
16 tion as may be required for integration and coordinated
17 operation therewith;

18 (b) the State shall make available to the Secretary
19 during the construction period sufficient funds to pay an
20 equitable share of the construction costs of any facilities
21 designed and constructed as provided in paragraph (a)
22 above. The State contribution shall be made in
23 annual installments, each of which bears approximately
24 the same ratio to total expenditures during that
25 year as the total of the State's share bears to the total

1 cost of the facilities; the State may make advances
2 to the United States in order to maintain a timely con-
3 struction schedule of the joint use facilities and the works
4 of the San Luis unit to be used by the State and the
5 United States;

6 (c) the State may at any time after approval of
7 its plans by the Secretary and at its own expense enlarge
8 or modify San Luis Dam and Reservoir and other facili-
9 ties to be used jointly by the State and the United States,
10 but the performance of such work shall be so carried
11 on as not to interfere unduly with the operation of the
12 San Luis unit for the purposes set forth in section 1 of
13 this Act;

14 (d) the United States and the State shall each pay
15 annually an equitable share of the operation, mainte-
16 nance and replacement costs of the joint use facilities;

17 (e) promptly after execution of this agreement be-
18 tween the Secretary and the State, and for the purpose
19 of said agreement, the State shall convey to the United
20 States title to any lands, easements, and rights-of-way
21 which it then owns and which are required for the joint
22 use facilities. The State shall be given credit for the
23 costs of these lands, easements, and rights-of-way toward
24 its share of the construction cost of the joint use facili-
25 ties. The State shall likewise be given credit for any

1 funds advanced by it to the Secretary for preparation of
2 designs and specifications or for any other work in con-
3 nection with the joint use facilities;

4 (f) the rights to the use of capacities of the joint
5 use facilities of the San Luis unit shall be allocated to
6 the United States and the State, respectively, in such
7 manner as may be mutually agreed upon. The United
8 States shall not be restricted in the exercise of its right
9 so allocated, which shall be sufficient to carry out the
10 purposes of section 1 of this Act and which shall extend
11 throughout the repayment period and so long thereafter
12 as title to the works remains in the United States. The
13 State shall not be restricted in the exercise of its allo-
14 cated right to the use of the capacities of the joint use
15 facilities for water service outside the Federal San Luis
16 unit service area.

17 (g) the Secretary may turn over to the State the
18 care, operation, and maintenance of any works of the
19 San Luis unit which are used jointly by the United
20 States and the State at such time and under such con-
21 ditions as shall be agreed upon by the Secretary and
22 the State;

23 (h) Notwithstanding transfer of title or of the care,
24 operation, and maintenance of any works to the State,
25 as hereinbefore provided, any organization which has

1 theretofore entered into a contract with the United
2 States under the Reclamation Project Act of 1939 for a
3 water supply through the works of the San Luis unit, in-
4 cluding joint use facilities, shall continue to have and to
5 enjoy the same rights which it would have had under
6 its contract with the United States and the provisions
7 of paragraph (4) of section 1 of the Act of July 2,
8 1956 (70 Stat. 483, 43 U.S.C. 485h-1), in the absence
9 of such transfer, and its enjoyment of such rights shall
10 be without added cost or other detriment arising from
11 such transfer;

12 (i) if a nonreimbursable allocation to the preserva-
13 tion and propagation of fish and wildlife has been made
14 as provided in section 2 of the Act of August 14, 1946
15 (60 Stat. 1080, 16 U.S.C. 662), as amended, the fea-
16 tures of the unit to which such allocation is attributable
17 shall, notwithstanding transfer of title or of the care,
18 operation, and maintenance to the State, be operated and
19 maintained in such wise as to retain the bases upon
20 which such allocation is premised and, upon failure so to
21 operate and maintain those features, the amount allo-
22 cated thereto shall become a reimbursable cost to be
23 paid by the State.

24 SEC. 4. In constructing, operating, and maintaining
25 a drainage system for the San Luis unit, the Secretary is

1 authorized to permit the use thereof by other parties under
2 contracts conforming generally to the provisions of the
3 Federal reclamation laws with respect to irrigation repay-
4 ment or service contracts and is further authorized to enter
5 into agreements and participate in construction and operation
6 of drainage facilities designed to serve the general area of
7 which the lands to be served by the San Luis unit are a part,
8 to the extent the works authorized in section 1 of this Act
9 contribute to drainage requirements of said area. The Secre-
10 tary is also authorized to permit the use of the irrigation
11 facilities of the San Luis unit, including its facilities for sup-
12 plying pumping energy, under contracts entered into pur-
13 suant to section 1 of the Act of February 21, 1911 (36
14 Stat. 925, 43 U.S.C. 523).

15 SEC. 5. The Secretary is authorized, in connection with
16 the San Luis unit, to construct minimum basic public recrea-
17 tional facilities and to arrange for the operation and main-
18 tenance of the same by the State or an appropriate local
19 agency or organization. The cost of such facilities shall be
20 nonreturnable and nonreimbursable under the Federal recla-
21 mation laws.

22 SEC. 6. The Secretary is authorized to provide Central

1 Valley project service, by way of the Pacheco Tunnel route,
2 to lands and municipalities in Santa Clara, San Benito, Santa
3 Cruz, and Monterey Counties: *Provided*, That construction
4 of the works to provide such service shall not be undertaken
5 until a report demonstrating their physical and economic
6 feasibility has been completed, reviewed by the State, and
7 approved by the Secretary and by the Congress, and in no
8 event prior to July 1, 1964, unless, in the meantime, the
9 Governor of the State of California shall have notified the
10 Secretary that the State approves the construction of such
11 works by the United States.

12 SEC. 7. There is hereby authorized to be appropriated
13 for construction of the works of the San Luis unit, including
14 joint use facilities, authorized by this Act, other than dis-
15 tribution systems and drains, the sum of \$290,430,000, plus
16 such additional amount, if any, as may be required by reason
17 of changes in costs of construction of the types involved in
18 the San Luis unit as shown by engineering indexes. There
19 are also authorized to be appropriated, in addition thereto,
20 such amounts as are required (a) for construction of such
21 distribution systems and drains as are not constructed by
22 local interests, and (b) for operation and maintenance of

1 the unit. All moneys received by the Secretary from the
2 State under this Act shall be covered into the same accounts
3 as moneys appropriated hereunder and shall be available,
4 without further appropriation, to carry out the purposes of
5 this Act.

Passed the Senate May 12, 1959.

Attest:

FELTON M. JOHNSTON,

Secretary.

TCA VIA

The following information is provided for your information only. It is not intended to be a substitute for professional advice. Please consult your attorney for more information.

AN ACT

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

MAY 14, 1959

Referred to the Committee on Interior and Insular
Affairs

86TH CONGRESS
1ST SESSION

H. R. 7155

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 1959

Mr. SISK introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

A BILL

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the principal purpose of furnishing water for the
4 irrigation of approximately five hundred thousand acres of
5 land in Merced, Fresno, and Kings Counties, California,
6 hereinafter referred to as the Federal San Luis unit service
7 area, and as incidents thereto of furnishing water for mu-
8 nicipal and domestic use and providing recreation and fish

1 order that the State may, without cost to the United States,
2 deliver water in service areas outside the Federal San Luis
3 unit service area as described in the report of the Department
4 of the Interior, entitled "San Luis Unit, Central Valley
5 Project", dated December 17, 1956. Said agreement shall
6 recite that the liability of the United States thereunder is con-
7 tingent upon the availability of appropriations to carry out its
8 obligations under the same. No funds shall be appropriated
9 to commence construction of the San Luis unit under any such
10 agreement, except for the preparation of designs and speci-
11 fications and other preliminary work, prior to ninety calen-
12 dar days (which ninety days, however, shall not include days
13 on which either the House of Representatives or the Senate
14 is not in session because of an adjournment of more than
15 three calendar days to a day certain) after it has been sub-
16 mitted to the Congress, and then only if neither the House
17 nor the Senate Interior and Insular Affairs Committee has
18 disapproved it by committee resolution within said ninety
19 days. If such an agreement has not been executed by
20 January 1, 1962, and if, after consultation with the Governor
21 of the State, the Secretary determines that the prospects of
22 reaching accord on the terms thereof are not reasonably
23 firm, he may proceed to construct and operate the San Luis
24 unit in accordance with section 1 of this Act: *Provided*,
25 That, if the Secretary so determines, he shall report thereon

1 to the Congress and shall not commence construction for
2 ninety calendar days from the date of his report (which
3 ninety days, however, shall not include days on which either
4 the House of Representatives or the Senate is not in session
5 because of an adjournment of more than three days). In
6 considering the prospects of reaching accord on the terms
7 of the agreement the Secretary shall give substantial weight
8 to any relevant affirmative action theretofore taken by the
9 State, including the enactment of State legislation author-
10 izing the State to acquire and convey to the United States
11 title to lands to be used for the San Luis unit or assistance
12 given by it in financing Federal design and construction
13 of the unit. The authority conferred upon the Secretary
14 by the first sentence of this section shall not, except as is
15 otherwise provided in this section, be construed as a limi-
16 tation upon the exercise by him of the authority conferred
17 in section 1 of this Act, but if the State shall agree that,
18 if it later enlarges the joint-use facilities, or any of them,
19 it will pay an equitable share of the cost to the United
20 States of those facilities as initially constructed before utiliz-
21 ing them for the storage or delivery of water and will bear
22 the entire cost of enlarging the same and if, as a part of
23 said equitable share, it makes available to the Secretary
24 sufficient funds to pay the additional cost of designing and
25 constructing the joint-use facilities so as to permit enlarge-

1 ment, it shall have an irrevocable right to enlarge or modify
2 such facilities at any time in the future, and a perpetual
3 right to the use of such additional capacity: *Provided*, That
4 the performance of such work by the State, after approval
5 'of its plans by the Secretary, shall be so carried on as not
6 to interfere unduly with the operation of the project for
7 the purposes set forth in section 1 of this Act and the
8 use of the additional capacity for water service shall be
9 limited to service outside of the Federal San Luis unit
10 service area: *And provided further*, That this right may be
11 relinquished by the State at any time at its option.

12 SEC. 3. The agreement between the United States and
13 the State referred to in section 2 of this Act shall provide,
14 among other things, that—

15 (a) the joint-use facilities to be constructed by the
16 Secretary shall be so designed and constructed to such
17 capacities and in such manner as to permit either (i)
18 immediate integration and coordinated operation with
19 the State's water projects by providing, among other
20 things, a capacity in San Luis Reservoir of approxi-
21 mately two million one hundred thousand acre-feet and
22 corresponding capacities in the other joint-use facilities
23 or (ii) such subsequent enlargement or other modifica-
24 tion as may be required for integration and coordinated
25 operation therewith;

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint-use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint-use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the pur-

1 pose of said agreement, the State shall convey to the
2 United States title to any lands, easements, and rights-
3 of-way which it then owns and which are required for
4 the joint-use facilities. The State shall be given credit
5 for the costs of these lands, easements, and rights-of-
6 way toward its share of the construction cost of the
7 joint-use facilities. The State shall likewise be given
8 credit for any funds advanced by it to the Secretary for
9 preparation of designs and specifications or for any other
10 work in connection with the joint-use facilities;

11 (f) the rights to the use of capacities of the joint-
12 use facilities of the San Luis unit shall be allocated to the
13 United States and the State, respectively, in such man-
14 ner as may be mutually agreed upon. The United
15 States shall not be restricted in the exercise of its right
16 so allocated, which shall be sufficient to carry out the
17 purposes of section 1 of this Act and which shall extend
18 throughout the repayment period and so long there-
19 after as title to the works remains in the United States.
20 The State shall not be restricted in the exercise of its
21 allocated right to the use of the capacities of the joint-
22 use facilities for water service outside the Federal San
23 Luis unit service area;

24 (g) the Secretary may turn over to the State the
25 care, operation, and maintenance of any works of the

San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) notwithstanding transfer of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939, and amendments thereto, for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue to be subject to the same limitations and obligations and to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1) in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), as amended, the features of the unit to which such allocations is attributable shall, notwithstanding transfer of the care, operation, and

1 maintenance to the State, be operated and maintained
2 in such wise as to retain the bases upon which such al-
3 location is premised and, upon failure so to operate and
4 maintain those features, the amount allocated thereto
5 shall become a reimbursable cost to be paid by the State;

6 (j) the State shall not serve any lands within the
7 Federal San Luis unit service area except as such service
8 is required as a consequence of its acceptance of the care,
9 operation, and maintenance of works under paragraph
10 (g) of this section.

11 SEC. 4. In constructing, operating, and maintaining a
12 drainage system for the San Luis unit, the Secretary is au-
13 thorized to permit the use thereof by other parties under
14 contracts the terms of which are as nearly similar as is prac-
15 ticable to those required by the Federal reclamation laws in
16 the case of irrigation repayment or service contracts and is
17 further authorized to enter into agreements and participate
18 in construction and operation of drainage facilities designed
19 to serve the general area of which the lands to be served by
20 the San Luis unit are a part, to the extent the works au-
21 thorized in section 1 of this Act contribute to drainage
22 requirements of said area. The Secretary is also authorized
23 to permit the use of the irrigation facilities of the San Luis
24 unit, including its facilities for supplying pumping energy,

1 under contracts entered into pursuant to section 1 of the
2 Act of February 21, 1911 (36 Stat. 925; 43 U.S.C. 523).

3 SEC. 5. The Secretary is directed to plan the works
4 authorized in this Act in such a manner as to contemplate
5 and make possible the future provision of Central Valley
6 project service, by way of the Pacheco Tunnel route, to lands
7 and municipalities in Santa Clara, San Benito, Santa Cruz,
8 and Monterey Counties heretofore anticipated as a possibility
9 by the Acts of December 14, 1949 (63 Stat. 852) and
10 August 27, 1958 (72 Stat. 937). Construction of addi-
11 tional works to provide such service shall not be undertaken
12 until a report demonstrating their physical and economic
13 feasibility has been completed, reviewed by the State, and
14 approved by the Secretary, and the works have been author-
15 ized by Act of Congress.

16 SEC. 6. The Secretary is authorized, in connection with
17 the San Luis unit, to construct minimum basic public recre-
18 ational facilities and to arrange for the operation and main-
19 tenance of the same by the State or an appropriate local
20 agency or organization. The cost of such facilities shall be
21 nonreturnable and nonreimbursable under the Federal
22 reclamation laws.

23 SEC. 7. The provisions of the Federal reclamation laws
24 shall not be applicable to water deliveries or to the use of

1 drainage facilities serving lands under contract with the
2 State to receive a water supply, outside of the Federal San
3 Luis unit service area described in the report of the Depart-
4 ment of the Interior, entitled "San Luis Unit, Central Valley
5 Project", dated December 17, 1956.

6 SEC. 8. There is hereby authorized to be appropriated
7 for construction of the works of the San Luis unit, including
8 joint-use facilities, authorized by this Act, other than dis-
9 tribution systems and drains, the sum of \$290,430,000, plus
10 such additional amount, if any, as may be required by reason
11 of changes in costs of construction of the types involved in
12 the San Luis unit as shown by engineering indexes. Said
13 base sum of \$290,430,000 shall, however, be diminished
14 to the extent that the State makes funds or lands or interests
15 in land available to the Secretary pursuant to sections 2 or
16 3 of this Act which decrease the costs which would be in-
17 curred if the works authorized in section 1 of this Act (in-
18 cluding provision for their subsequent expansion) were
19 constructed solely as a Federal project. There are also
20 authorized to be appropriated, in addition thereto, such
21 amounts as are required (a) for construction of such dis-
22 tribution systems and drains as are not constructed by local
23 interests, and (b) for operation and maintenance of the unit.
24 All moneys received by the Secretary from the State under

1 this Act shall be covered into the same accounts as moneys
2 appropriated hereunder and shall be available, without
3 further appropriation, to carry out the purposes of this Act.

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A BILL

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

By Mr. SISK

MAY 14, 1959

Referred to the Committee on Interior and Insular Affairs

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of May 27, 1959
86th-1st, No. 86

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HIGHLIGHTS: House debated bill to extend Reorganization Act. Rep. Cooley announced that June 1 was not "deadline" for passage of wheat bill. House passed: General government matters appropriation bill. State-Justice appropriation bill.

HOUSE

1. REORGANIZATION. Began and concluded debate on H. R. 5140, to extend the time to June 1, 1961, during which reorganization plans transmitted by the President to Congress under the Reorganization Act of 1949 may take effect (pp. 8265-74). Agreed to the committee amendment limiting extension of the Act to June 1, 1961 (as introduced the bill would have extended the Act permanently) (pp. 8272-4).
Rep. McCormack announced that further consideration of the bill will be postponed until Tues., June 2 (p. 8282).
2. WHEAT. Rep. Cooley stated that there was "no foundation" for the "general impression that there is some kind of a deadline of June 1 on the enactment of new wheat legislation," that the pending wheat bills "require that the Secretary make the very same proclamation next Monday that he would make if no wheat bill were passed this year," that "there is no reason for extending further the date on which the Secretary makes this announcement, nor is there any reason ... for trying to rush through Congress, merely on account of the June 1 announcement, the wheat legislation which is now pending," and concluded that "the counsel of the Committee on Agriculture has been in touch with high-ranking officials of the Department of Agriculture within the past 2 hours, and they have flatly stated that there is no reason why the Secretary cannot make his scheduled

announcement on June 1 and that they are not in favor of postponing further the date of this announcement." p. 8277

3. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL FOR 1960. Passed without amendment this bill, H. R. 7176. Rejected, 171 to 229, a motion by Rep. Gross to recommit the bill to the Appropriations Committee. p. 8262
4. STATE-JUSTICE APPROPRIATION BILL FOR 1960. Passed with amendment this bill, H. R. 7343. Rejected a motion by Rep. Williams to recommit the bill to the Appropriations Committee. pp. 8262-3
5. AGRICULTURAL ATTACHES. Received from this Department a proposed bill authorizing the detail of agricultural attaches to duties in the U. S. without reduction in grade; to Agriculture Committee. p. 8288
6. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 7155, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, Calif. (H. Rept. 399). p. 8288
7. APPROPRIATIONS. The Appropriations Committee was granted permission until midnight Thurs., May 28, to file reports on the legislative branch and the Defense Department appropriation bills. p. 8261
H. R. 7349, the Department of Commerce and related agencies appropriation bill for 1960, includes \$37,100,000 for forest highways, to be derived from the highway trust fund; provides that unexpended balances as of June 30, 1959, of approximately \$7,100,000 heretofore appropriated for forest highways are to be rescinded and credited to miscellaneous receipts; includes \$300,000 for the Office of Area Development for an increased program of technical assistance and field consultation to State and local groups who request guidance in organizing and carrying out economic development programs; and includes funds for the Census Bureau, Bureau of Foreign Commerce, Office of Business Economics, Patent Office, Bureau of Public Roads, National Bureau of Standards, Weather Bureau, St. Lawrence Seaway Development Corporation, Small Business Administration, and Tariff Commission.
8. CONTRACTS. Passed, 379 to 7, without amendment H. R. 7086, to extend the Renegotiation Act of 1951 for 4 years, until June 30, 1963. Rejected, 153 to 246 a motion by Rep. Simpson to recommit the bill to the Ways and Means Committee with instructions to report the bill back with an amendment extending the Act to Sept. 30, 1961. pp. 8263-5
9. EDUCATION. Rep. Teller submitted and discussed "a comprehensive eight-point legislative program for improving education," including provisions for fellowship grants for post-college research and study, and grants for construction of State and municipal colleges and college research and laboratory facilities. pp. 8277-82
10. AREA REDEVELOPMENT. Rep. Flood urged enactment of area redevelopment legislation and inserted a factsheet, "Area Redevelopment Fact Sheet No. 61: New York State." pp. 8282-7
11. STOCKPILING. Received from OCDM a report on the strategic and critical material stockpiling program, July 1 - Dec. 31, 1958. p. 8288

SAN LUIS PROJECT, CALIFORNIA

MAY 27, 1959.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ROGERS of Texas, from the Committee on Interior and Insular Affairs, submitted the following

R E P O R T

[To accompany H.R. 7155]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 7155) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 11, line 9, strike out the word "December" and insert in lieu thereof the word "October".

SAN LUIS LEGISLATION

The bill here reported, H.R. 7155 by Mr. Sisk, is a clean bill, introduced subsequent to the committee's favorable action on H.R. 5687, also by Mr. Sisk. It incorporates the committee's amendments to H.R. 5687, which was one of four identical bills introduced at the time all California interests reached agreement on principle and language. The others were H.R. 5681 (Hagen), H.R. 5682 (Hosmer), and H.R. 5684 (Johnson of California). Prior to the agreement among California interests on language that all could support there were before the committee several bills involving three different approaches to the problem of providing service to the San Luis area. In view of the agreement and the introduction of new bills, the committee discarded these earlier bills—H.R. 301 (Sisk), H.R. 302 (Gubser), H.R. 812 (Hosmer), H.R. 2343 (Johnson of California), and H.R. 5501 (Hagen)—except that portion of H.R. 302 which relates to extending service from the Central Valley project to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties.

PURPOSE

H.R. 7155 would authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, and to enter into an agreement with the State of California with respect to the construction and operation of such unit in order that there may be joint Federal-State use of the San Luis Reservoir site. The operation of the Federal San Luis unit would conserve and regulate surplus wintertime water now wasting into the Pacific Ocean through the Golden Gate and make it usable, along with additional Central Valley project water from storage, in the water-deficient San Joaquin Valley to the south. The water made available would provide a supplemental water supply for the irrigation of about 480,000 acres of highly productive land on the west side of the San Joaquin Valley. The unit would also provide some domestic and municipal water as well as important benefits to recreation and to the preservation and propagation of fish and wildlife. As far as they serve the Federal San Luis service area the project works would be integrated physically and financially with other features of the Central Valley project and the Federal unit would depend upon certain existing works of that project for the regulation, pumping, and transportation of water.

PREVIOUS CONSIDERATION

Legislation to authorize the San Luis project is not new to the committee. During the last several years the committee has spent many days studying the project proposal, and several members of the committee have visited the project service area for an on-the-ground examination. In the 85th Congress the committee reported legislation to authorize the San Luis unit but the report was too late for floor action. Similar legislation passed the Senate in the 85th Congress and again in the present Congress.

SAN LUIS SERVICE AREA

The San Luis unit is situated on the west side of the San Joaquin Valley in California about 150 miles southeast of San Francisco and about 30 miles west of Fresno. Lands which would be irrigated lie between elevations of about 200 and 500 feet above sea level on a broad, gently sloping plain extending eastward from the coast range. The area forms a strip about 65 miles long and 13 miles wide, totaling about 480,000 acres. Summers are hot and dry and the rainfall averages only about 7 inches annually. There is little natural surface water supply in the area with only a few small rain-fed creeks flowing intermittently during the winter storms. Actually, present irrigation in the area relies entirely on ground water which is being heavily overdrawn. At the present time, there are about 400,000 acres within the service area developed for irrigation and served by pumping from ground water sources.

NEED

The ground water reservoir, which is the present source of irrigation in the San Luis service area, is being seriously overdrawn and the water table rapidly lowered. It is estimated that the recharge of the ground water reservoir averages only about 200,000 acre-feet annually

compared with annual withdrawals averaging around 1 million acre-feet. The resultant overdraft has caused a steady decline in water levels and pump lifts have increased by more than 200 feet. It is estimated that under present conditions less than 150,000 acres can be sustained in irrigation and that, unless an imported water supply is made available to the area, the majority of the presently irrigated land will eventually return to desert. Because there is no firm water supply and because of the poor quality of the water that is available, this area does not lend itself, under present conditions, to the development of family-size farms. With a firm supply of good quality water it is expected that there will be a big change in the crop pattern. This, together with application of the acreage limitation provisions of the Federal reclamation laws, will cause the large holdings to be broken up into family-size operations.

Although the amount of water involved is smaller, the need in the area for additional and better quality municipal water is just as pressing as the need for irrigation water. The water obtained from the underground reservoir for municipal uses is of very poor quality and in many areas it is not potable. At least one city, Coalinga, with a population of more than 6,000 people, has been hauling its drinking water in by tank car and is now constructing a saline water treatment plant.

Governor Brown, of California, in urging prompt action on this legislation, had this to say:

Time has become an increasingly important factor. In the Federal service area on the west side of the San Joaquin Valley there is right now a pressing need for water. * * * California is only a decade away from being the most populous State in the Union. Only immediate and rapid action to meet its water problems will support the requirements of the hundreds of thousands who come to our State each year. * * * The whole future of the State of California depends on sound development of its water resources as soon as possible. The San Luis Dam and reservoir project is central to such development. * * * The State itself is launching an unprecedented water development program of its own. * * * In order to do the complete job and to do it in time we must have Federal assistance. * * * The joint venture at San Luis represents, I believe, the best example of a proper method for Federal-State action in water resources development.

PROPOSAL FOR JOINT FEDERAL-STATE USE OF PROJECT FACILITIES

Preparation of satisfactory San Luis legislation has been complicated by the fact that the undertaking involves joint use by the Federal Government and the State of California of the San Luis Reservoir and certain other project facilities. This joint-use plan is the outcome of a situation in which both the Federal Government and the State found themselves proposing projects utilizing the same reservoir site. The State's Feather River project plan calls for storage at the San Luis site as does the Bureau of Reclamation's plan for the San Luis unit. The San Luis reservoir site appears to be the only adequate and feasible storage site in the area.

H.R. 7155 would authorize the Secretary to enter into an agreement with the State of California under which the State and the Federal Government would jointly use a reservoir at the San Luis site and other project facilities. The joint-use facilities would be constructed in such a way, either initially or by provision for enlargement, as to permit service to both the Federal San Luis service area and to areas proposed to be served by the State under its water development plans. The bill sets out the substance of the provisions that will have to be incorporated in such an agreement. The details of the agreement will have to be worked out by negotiation. After execution, the agreement will have to be submitted to Congress and appropriation of funds for construction will be contingent upon its not being disapproved by the Interior and Insular Affairs Committee of either House. The legislation provides that if agreement is not reached by January 1, 1962, construction of the San Luis unit can proceed as an all-Federal project after the Secretary of the Interior reported such failure to reach agreement to the Congress. In the latter event the State could still acquire an irrevocable right to enlarge the facilities for its use by paying the additional initial cost of constructing the dam and reservoir so as to permit enlargement and agreeing to pay, prior to using them for the storage or delivery of water, its full equitable share of the construction cost of the joint-use facilities as initially constructed plus the entire cost of enlarging them.

PLAN OF DEVELOPMENT

The physical plan of development of the San Luis unit is described in the report of the Secretary of the Interior transmitted to the Congress on December 17, 1956. The principal engineering features of the San Luis unit would be the San Luis Dam and Reservoir, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works and related facilities. Water available in the Sacramento-San Joaquin Delta, either as unregulated flows or as a result of Central Valley project storage, would be pumped via the existing Tracy pumps and the Delta-Mendota Canal to the San Luis Reservoir or directly to the irrigation canal system through which it would be distributed to the project service area. The distribution and drainage systems could be constructed either by the Federal Government or by the local districts.

The final design of the San Luis Dam and Reservoir, the forebay, the afterbay, the pumping plant, and the San Luis Canal would depend upon whether a joint-use agreement is reached between the Federal Government and the State as previously discussed and, if such an agreement is reached, upon the provisions thereof. If agreement with respect to joint use of project facilities is reached, it could provide that the San Luis Reservoir be constructed with a capacity of 1 million acre-feet and provision for enlargement or it could provide that it be constructed initially with a capacity of 2,100,000 acre-feet. Likewise, such joint-use agreement will specify the capacities of the other project facilities mentioned. If agreement is not reached, then construction of the San Luis Reservoir capacity would be limited to 1 million acre-feet, with provisions for later enlargement to 2,100,000 acre-feet. Water requirements in California are growing at such a

rate that there is no question but that the extra capacity will be called for in a relatively short time.

PROVISION FOR FUTURE ENLARGEMENT

It is pointed out that the bill requires either initial construction of the dam and reservoir to capacities necessary to serve both the Federal San Luis service area and the State's service area or provision in the initial construction for their future enlargement. Provision in initial construction for enlargement of other facilities is permissive. In other words, in no circumstance will the dam and reservoir be built without provision for enlargement, and in the event there is no joint-use agreement and the State acquires no right to enlarge pursuant to section 2 of the bill it is contemplated that the modifications for future enlargement would accommodate expansion of the Federal San Luis unit. Such expansion is, of course, subject to further authorization processes.

The cost estimate for the Federal San Luis unit includes \$17,701,000 for modifications which would permit enlargements later to provide specifically for irrigation service to lands additional to those now included in the San Luis unit. This \$17,701,000 comprises \$10,814,000 for modification of the San Luis dam and outlet works, \$4 million for modification of the pumping plant, and \$2,887,000 for modification of the San Luis Canal.

The modifications for future enlargement of the reservoir and the pumping plant to accommodate the State's Feather River project would be essentially the same as those contemplated to accommodate expansion of the Federal San Luis unit. However, there is no practical way to construct the San Luis Canal now for enlargement later to accommodate the State's Feather River project. If the canal is not constructed initially to ultimate capacity, it would be better for the Bureau's canal to follow the original alinement and for the State to construct a second canal in the future when it is needed.

AGRICULTURAL EFFECTS

At the present time the irrigated land in the San Luis service area is devoted primarily to grain and cotton, with relatively small amounts devoted to miscellaneous field crops, truck crops, and forage crops. Livestock production is not a significant element in the area's economy. As previously indicated, unless an outside source of water is provided, the irrigated area will be drastically reduced. It is estimated that, without the project, the lands that remain under irrigation will be devoted primarily to grain and cotton, with about two-thirds devoted to grain, probably barley, and one-third to cotton.

Provision of an adequate and dependable water supply under project conditions is expected to bring considerable changes in the agricultural economy of the service area. The increased supply and better quality of the water would permit more intensive or diversified land use and would facilitate the transition from present large-scale operations to a type of agricultural settlement more nearly characteristic of irrigated areas on the east side of the San Joaquin Valley. Operation of the project under reclamation law would, of course, require that the large ownerships be broken up into family size operations.

The shift from large-scale farming to smaller operations will result in a shift in proportionate relationships among the crops presently grown. While there probably will be little change in the cotton acreage, it is expected that the acreage in irrigated grain will be drastically reduced. At the same time, truck crops, deciduous fruits and grapes, alfalfa, irrigated pasture, and miscellaneous field crops will replace grain acreage and will be grown on the new lands that are irrigated. The Bureau's projected crop pattern shows 88,000 acres in truck crops, 22,000 acres in deciduous fruits and grapes, 66,000 acres in miscellaneous field crops, 88,000 acres in alfalfa, and 44,000 acres in irrigated pasture. The projection of cotton and grain shows 132,000 acres in cotton and 44,000 acres in irrigated grain and grain hay.

ECONOMIC AND FINANCIAL ASPECTS

The present estimated cost of the San Luis unit, not including distribution and drainage systems, is \$290,430,000. As previously indicated, this amount includes \$17,701,000 for making provision in the initial construction for future enlargement. This amount also includes about \$11 million for electric transmission facilities. Under a provision in the bill, these facilities would not be constructed if the Secretary determines electric transmission service can be obtained at less cost from a local public or private agency. About \$210 million of the total estimated cost is for facilities which would be jointly used if agreement with the State is reached. In the event of agreement and joint use of project facilities, there would, of course, be a saving in cost to the United States. The equitable sharing of this saving between the Federal Government and the State, as required by language in the legislation, would probably result in a reduction in Federal cost amounting to approximately \$50 million. The bill provides that the total amount authorized to be appropriated shall be diminished by the amount of such saving.

Tentatively, the total Federal cost of the San Luis unit, except for about \$100,000 for basic recreational facilities, is allocated to irrigation and municipal water supply and would be repaid by the water users or from surplus power revenues of the Central Valley project. It is estimated that payments by the water users will be sufficient to repay about 76 percent of the \$290,430,000. Of course, if there is a decrease in the Federal cost as a result of joint development and use, the water users would pay a larger percentage.

The distribution and drainage systems which, as previously stated, could be constructed by the Federal Government or by the water users are estimated to cost \$192,650,000. If built by the Federal Government the total cost of the distribution systems would be repaid by the water users in 40 years under a separate contract.

The Department's economic studies covering the San Luis unit indicate that the annual benefits attributable to the irrigation and municipal water service are $2\frac{1}{2}$ times the annual costs.

STATE'S POSITION UNIFIED

Last year when the committee considered the San Luis legislation, various interests within the State of California were not in agreement on it. Certain interests in southern California and Kern County were

opposed to the legislation. This year the situation is different. Governor Brown, in his appearance before the committee, stated:

For the first time in these long discussions with which many of you are familiar, Californians come before you united, offering a single plan with unanimous support. In conferences during the past 2 weeks, representatives of the Westlands Water District, the Metropolitan Water District of Southern California, and Los Angeles Department of Water and Power, the State Farm Bureau Federation, and Kern County interests have worked with my administration and the authors of this legislation to remove potential sources of conflict. The bill before you reflects the minor amendments to which all concerned have agreed.

In addition to this statement by Governor Brown, the organizations that have in the past opposed the legislation testified in favor of it. These include the Metropolitan Water District of southern California, the Los Angeles Department of Water and Power, and the Kern County Farm Bureau. It does not appear that the changes which the committee made in the legislation would upset in any way the unanimous agreement among California interests.

OPERATION UNDER FEDERAL RECLAMATION LAW

Judged in accordance with Federal reclamation law, about 325,000, acres of the 480,000 acres in the Federal San Luis service area—that is, the area within the Westlands, Panoche and San Luis Water Districts—are in large ownerships that will have to be divided into smaller ownerships. The owners of these large holdings are fully aware of the requirements of the antispeculation and excess land provisions of reclamation law, and the committee was advised that, with the exception of the Southern Pacific Co., they are willing to sign recordable contracts, in compliance with reclamation law, agreeing to dispose of their excess acreage. The Panoche and San Luis districts have already signed contracts with the Department calling for compliance with the excess land provisions. The Southern Pacific Co. owns about 58,000 acres within the San Luis service area as defined above, all of which is in the Westlands Water District. A representative of the Southern Pacific Co., appearing before the committee, stated that the company was not interested in selling its lands. At the same time, he stated that in the event of operation of the San Luis project under reclamation law the company would be willing to sit down with the district and the Bureau of Reclamation and explore the possibilities of obtaining water for company lands. The committee understands that the feasibility of the project does not depend upon furnishing water to the Southern Pacific Co. lands, and that the Westlands district will take all the water it can get regardless of whether it serves the company lands. If the company lands are not served, it would enable the district to pump less from underground. The district has the power to tax the company lands even if they take no project water.

The committee certainly recognizes the problems raised by the land ownership situation in the San Luis service area. During the committee's consideration of this legislation, concern was expressed by many individuals and groups lest the large landowners in the San

Luis service area might, in some way, be exempt from the land limitation provisions of the Federal reclamation laws. For instance, the committee received this expression from the California Labor Federation:

This language of the San Luis bills opens the door to unjust enrichment, to monopoly of water resources, and to subsidized giantism in agriculture. * * * We hope that the Congress of the United States will not breach long-established national policy * * *.

The committee gave careful consideration to all the views and comments it received along this line and amended the bill in several respects.

The committee wants to make it unmistakably clear that the legislation it is hereby reporting requires the operation of the Federal San Luis unit under Federal reclamation law, including the excess land provisions thereof, and that there is no way the large landowners in the Federal San Luis service area can avoid compliance with such provisions.

Section 1 of the bill provides that, "In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by Federal reclamation laws (act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto)". An additional phrase—"except so far as the provisions thereof are inconsistent with this act"—which was formerly appended to this sentence was deleted by the committee. While this phrase obviously related only to provisions set out in the bill and could not be interpreted as exempting the project from other unmentioned provisions of reclamation law, the committee nevertheless removed it in order to allay the fears of those objecting to it and on the basis that the provisions in the bill will speak for themselves and that such deletion will do no harm. The following colloquy illustrates the careful consideration the committee gave to this particular matter, including its consideration of a substitute phrase reading "except as otherwise provided in this act."

Mr. ROGERS. For a question of counsel: What is referred to by the language "except as otherwise provided in that act"? In other words, what does the "otherwise" mean?

Mr. WITMER. As you will recall, Mr. Chairman, during the hearing substantially the same question was asked of witness after witness. Each one had in mind those things which were particularly pertinent to him * * *. None of the witnesses covered the field fully, however. It seems to me that "except as herein otherwise provided in this act" covers virtually everything in the bill that follows those words.

Now, let me illustrate, if I may, sir. If this were authorized in the usual manner to be constructed, operated, and maintained under the Federal reclamation laws, the Secretary could forthwith send up a request for appropriations and, having gotten the appropriations, begin to construct. But the bill, immediately following the words you are considering, lays conditions on such construction.

One condition: The Secretary has to negotiate with the State. Another condition: Until January 1, 1962, arrives, he cannot proceed without an agreement. Another condition:

He must have made some arrangement for drainage works. Another condition: He must specifically have gotten necessary water rights to carry out the purposes of the project. And so on throughout the bill.

In other words, it seems to me that every provision of the bill from there on is an exception to the general authorization which precedes. If you wanted to go into it more specifically, you could mention, as one of the witnesses did, the authorization for recreation facilities, which are not provided for in general reclamation law. You could mention, as the chairman of the full committee has just mentioned, the provision for joint operation and joint control with the State. If you wanted to be still more specific, you could mention the provision which authorizes the Secretary to turn over the operation and maintenance of the project to the State, for which there is no provision in general reclamation law. And so on.

Mr. ROGERS. In that particular situation, is it your opinion that the authority of the Secretary to turn over joint use facilities to the State for operation would open the door for exempting the project from the application of the 160-acre limitation?

Mr. WITMER. My answer, sir, to that is a clear and unequivocal "No."

* * * * *

Mr. ULLMAN. May I ask just one additional question: What is your interpretation of the effect of the amendment offered by the gentlemen from California [to strike the language "except so far as the provisions thereof are inconsistent with this Act"] as against that offered by the gentleman from Colorado [to substitute "except as otherwise provided in this Act"], for instance, in connection with the operation of the dam? Would the language in the two instances make any difference?

Mr. WITMER. I think the language will make no difference. The effect of the language will be no different. In other words, may I put it this way, I think the exceptions will speak for themselves as being exceptions.

To avoid any possible misinterpretation on the matter of operation of the Federal San Luis unit service area under Federal reclamation law and in order that there could be no question as to the committee's position that the State should not be allowed to serve lands within the Federal service area the committee adopted several clarifying amendments. It amended section 3(h) of the bill to read as follows:

(h) notwithstanding transfer of the care, operation and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939, and amendments thereto, for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue *to be subject to the same limitations and obligations and* to have and to enjoy the same rights which it would have had under its contract with the

United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1), in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

Attention is called to the italicized language added by the committee.

The committee also (1) added language in section 2 which provides that the additional capacity in the joint-use facilities for State use shall be limited to service outside of the Federal San Luis unit service area and (2) added a subsection to section 3 stating that the State shall not serve any lands in the Federal San Luis service area except as required in connection with its acceptance of the care, operation, and maintenance of the joint-use facilities. In this connection, it is quite clear that if the State takes over the operation and maintenance of the joint-use facilities it will be acting as an agent of the Federal Government under reclamation law, so far as its service to the Federal San Luis service area is concerned. The situation would be no different from that in the many instances in which irrigation districts take over the operation and maintenance of the works serving such districts. The districts are still bound by all the provisions of Federal reclamation law. A portion of the committee's discussion on this particular matter follows:

Mr. ROGERS. * * * Your answer would indicate, Mr. Witmer, that in the event the Secretary did, under the authority of this act, turn over the operation and maintenance of this project to the State authority, the State authority would then be bound by the 160-acre limitation?

Mr. WITMER. The State authority would in my judgment, be operating in effect as an agent of the United States, under the laws of the United States. And there would be no waiver of any provisions.

Mr. ROGERS. And as this bill is written, there is no place in it, in your opinion, where the Secretary himself, if he continued to operate it, would have the power or the authority to waive the 160-acre limitation?

Mr. WITMER. No, sir.

* * * * *

Mr. ULLMAN. I would like to ask counsel a question.

I am rather intrigued by this last statement of yours—that the State of California would be acting as an agent of the Federal Government under the reclamation law. Is that correct?

Mr. WITMER. In effect, yes.

Let me give you an analogy. The general reclamation laws provide for turning over operation and maintenance of projects to irrigation districts. That is done every year. In fact, Congress encourages their being taken over. But the districts are still operating for the United States. They are still subject to the control of the United States and the Secretary of the Interior. They are still bound by the excess land laws, by the requirement that water be not delivered if there is nonpayment, etc. You can run down the whole list of requirements. What you are doing is substituting the

districts for the Secretary in the operation only. In the case of San Luis it would be the State substituting for the Secretary instead of an irrigation district.

RECLAMATION LAW NOT APPLICABLE TO STATE SERVICE AREAS

Section 7 of the bill provides that the Federal reclamation laws shall not be applicable to areas served by the State of California. Objection was raised in committee to this provision on the ground that it will "exempt" the State-served lands from the acreage limitation provisions of the Federal laws. In accepting section 7, a majority of the committee points out that there is nothing in the reclamation laws which, in the absence of a provision in the bill affirmatively making the land-limitation provisions applicable in the State-served area, would forbid the State from serving whatever lands it chooses on whatever terms it chooses. In other words, mere deletion of section 7 would not accomplish the purpose of those who advocate requiring owners of the State-served lands to observe the limitations which are imposed on those served by the Federal Government. It is, furthermore, the view of the majority that there is no justification for writing an affirmative provision into the bill which would require such observance. Its reasons for this conclusion are these:

(1) It is only by chance that there is any connection between the Federal and State projects. That connection arises from the physical fact that there is one and only one adequate reservoir site in the area and that both the Federal and State Governments need to use this site. If two sites existed, each government would be free to use one of them on its own terms, and the excess lands question as applied to State-served lands would not even have arisen.

Speaking, during committee debate, to the matter of applying Federal law to the State's service area, Mr. Hosmer, one of the authors of the legislation, clarified the matter this way:

So, I ask you gentlemen to realize that this particular project we are talking about which the Federal Government would build and the project the State wants to build, are two separate and entirely different projects.

Of necessity they must occupy the same particular space. But just because in an office building there are several law firms and one of the law firms is representing the plaintiff in a case and another law firm is representing the defendant does not mean they have a conflict of interest because they are operating out of the same building. They are separate enterprises and this is exactly what is occurring here.

(2) The water supply for the State's project will be derived from sources independent of the Federal project's water supply and, except for the joint works, will be handled through an entirely different system of reservoirs, canals, and other works. The Federal impoundment and transportation systems in the Central Valley will, with the construction of the Federal San Luis project, be fully utilized and could not, even if there were inclination to do so, be used to supply the State service area.

(3) The State will, under the terms of the bill, have paid its entire share of the cost of constructing the joint facilities prior to its utilization of them for storage and delivery of water. Even if the State

were a customer of the United States—a water right applicant or an irrigation district, for instance—it would not be bound by the acreage limitation provisions under existing law in these circumstances. The committee sees no reason for treating the State, in its capacity as a partner in a joint venture rather than a customer, more onerously than it would a private citizen or an irrigation district.

(4) Insofar as there is a problem of large ownerships in the State-served area, the committee is confident that the legislature of the State of California can and will enact legislation expressing the public policy of the State and representing the will of the majority of the people of the State. There would be no more justification for the United States, in other words, to decline to enter into this joint venture with the State unless the State makes its land-ownership policy conform to that of the United States than there would be for the State to refuse to enter into the arrangement unless the United States modified its policy to suit that of the State.

In order to make clear the present state of the law and the committee's reasons for believing that no exemption is provided by section 7, the following more complete explanation is offered.

Section 3 of the act of August 9, 1912 (37 Stat. 266, 43 U.S.C. 544) provides, in pertinent part, that—

no person shall at any one time or in any manner * * * acquire, own, or hold irrigable land for which entry or water right application shall have been made under the said reclamation act of June 17, 1902, and acts supplementary thereto and amendatory thereof, before final payment in full of all installments of building and betterment charges shall have been made on account of such land in excess of one farm unit as fixed by the Secretary of the Interior as the limit of area per entry of public land or per single ownership of private land for which a water right may be purchased respectively, nor in any case in excess of one hundred and sixty acres, nor shall water be furnished under said Acts nor a water right sold or recognized for such excess * * *.

During the period when irrigation water contracts were entered into with individuals rather than organized districts, it is thus clear that the law forbade delivery of water to more than one farm unit held by an individual only so long as the entire construction cost allocated to the excess unit had not been fully paid. That the law was so read and applied by the Interior Department is shown in detail in the Bureau of Reclamation's printed publication entitled "Landownership Survey on Federal Reclamation Projects" (1946) and the Interior Department's two-volume document prepared for the Subcommittee on Public Works and Resources of the House Committee on Government Operations entitled "Excess Land Provisions of the Federal Reclamation Laws and the Payment of Charges" (1956).

The same rule has been held to be applicable to irrigation district contracts. Speaking of the relation between the 1912 act and the excess-land provisions of the act of May 25, 1926 (44 Stat. 649, 43 U.S.C. 423e), the Associate Solicitor of the Interior Department

advised the Commissioner of Reclamation on October 22, 1947, as follows:

* * * The specific question is whether the release of the limitation by section 3 of the 1912 act upon "final payment in full of all installments of building and betterment charges" on account of "irrigable land for which entry or water-right application shall have been made" can be held to apply to the payment in full of the joint obligation assumed by an irrigation district under a contract entered into as required by section 46 of the 1926 act.

In construing an ambiguous enactment, it is held proper to consider acts passed at prior and subsequent sessions to which the act does not refer. * * * It seems clear that the various excess-land enactments were intended by Congress to provide a uniform and comprehensive procedure for the implementation of its land-limitation policy.

Section 46 of the 1926 act, supra, sets out the substance of the provisions required to be incorporated in joint-liability repayment contracts with irrigation districts. That section does not purport to contain all the excess-land provisions applicable to lands affected by such contracts. * * * Since joint-liability repayment contracts were not in general use when the act of August 9, 1912 was adopted, the language used in those acts was not specifically directed at situations arising under contracts of that type. Congress apparently intended that the land-limitation provisions, in effect when the act of May 15, 1922 (42 Stat. 541), the act of May 25, 1926, and other acts covering the use of irrigation district contracts were adopted, would be applicable thereto, as nearly as practicable. Otherwise, substantially different acreage restrictions might result from the discontinuance of water-right applications and the adoption of the joint-liability repayment contract procedures.

When all construction costs due under a joint liability repayment contract have been paid in full, there is no apparent reason why the lands receiving water under such contract should not be deemed relieved of the excess-land restrictions in the same manner as paidup water right application lands. The fact that Congress did not, in connection with the various acts authorizing or requiring joint liability repayment contracts, enact complete excess-land provisions couched in language adapted to joint-liability contracts does not in itself deny a congressional intention that the principles of its excess-land policy, as previously expressed with reference to water-right applications, should apply to such contracts. The enactment of new excess-land provisions, relative to the phases not specifically covered by the said acts, was undoubtedly deemed unnecessary because these acts became a part of the reclamation laws for all purposes and would be interpreted on that basis. The existing excess-land provisions would, therefore, become applicable.

In the light of the foregoing, it is my view that upon full payment of construction obligation under a joint-liability

repayment contract, the lands receiving water under such contract are, under the provisions contained in section 3 of the act of August 9, 1912, relieved of the statutory excess-land restrictions.

In accordance with this conclusion, a large number of repayment contracts which the Bureau of Reclamation entered into during the years 1949-54 with irrigation districts in Oregon, Idaho, Washington, California, and Montana have had written into them the following provision or its substantive equivalent:

Pursuant to the provisions of the Federal reclamation laws, water made available hereunder shall not be delivered to more than 160 irrigable acres in the ownership of any one person * * *. The limitations stated in this subarticle shall cease to operate when the construction charge provided in this contract has been paid in full.

Many of these contracts were approved by Congress.

The present Secretary of the Interior has, in effect, announced his concurrence in this view of the law. On July 12, 1957, he said that he was unwilling to enter into a contract with the Kings River Conservation District, California, which would permit individual water users within the district to pay off their proportionate share of the construction costs to be paid by the district and thus come out, as individuals, from under the acreage limitations. But he also said—

The Department continues to recognize and support the basic concept of reclamation law that full and final payment of the obligation of a district to the Federal Government ends the applicability of the acreage limitations—

and added—

So long as the present acreage limitations remain in the basic reclamation law, they should be complied with, until the district has fully discharged its obligations to the Federal Government.

It is true that the provisions of the 1912 act and their relation to district obligations under the 1926 act have not been construed in any reported judicial decision, but the administrative history is such that the committee has little doubt that the payout rule could and would be properly applied in the present instance even if the State were to be thought of not as a partner but as a customer of the Federal Government. Whatever may be the merits or demerits of continuing to apply the prevailing construction of the 1912 and 1926 acts to irrigation districts in situations in which, although final payment is made only after a period of years during which they have received the benefits of interest-free Federal money and, in many cases, assistance from power revenues, it remains true that (1) the administrative practice of doing so is now so well fortified by history that it can probably be successfully attacked by no one except Congress and (2) that there is no legislation now pending before Congress, nor has any ever been introduced, which would overrule the departmental interpretation of these acts or provide other standards to guide it. The committee cannot, in this circumstance, apply to the special case of the State of California a rule which is not applicable to others.

The Warren Act (36 Stat. 925, 43 U.S.C. 523, 524) adds no substance to the claim of those who see section 7 of the bill as a breach in the Federal Government's land limitation policy. In the first place, that act, limited as its cooperative provisions are to "irrigation districts, water users' associations, corporations, entrymen, or water users," is clearly not applicable to the Federal-State venture proposed in H.R. 7155. In the second place, the Warren Act was enacted before the act of August 9, 1912, cited above and thus, as the Associate Solicitor of the Interior Department in the opinion which has already been quoted in part said, must be regarded as qualified by the payout provisions of the later act.

The whole matter is aptly summed up in the following message from Gov. Edmund G. Brown of California to Senator Engle which appears in the Congressional Record for May 7, 1959 (p. 6890):

SACRAMENTO, CALIF., *May 7, 1959.*

Senator CLAIR ENGLE,
Senate Office Building,
Washington, D.C.

Having seen many statements in the press regarding the application of the Federal reclamation laws to the San Luis project, I wish to reiterate what I have said in the past regarding this matter. Upon the basis of my own legal analysis and that of all my legal advisors I am convinced that the Federal reclamation laws do and will apply to all Federal facilities and service areas of the San Luis project. In addition, with or without the language contained in section 6(a) under S. 44, the Federal reclamation laws do not and, in my view, should not apply to the State facilities and State service areas of the project. I am, and I believe that the California Legislature also is, opposed to any unjust enrichment or monopolization of benefits by owners of large landholdings as a result of either Federal or State operation.

However, I feel that the handling of this matter, insofar as State activities are concerned in relation to this project or other State construction, should come as a result of State legislation. I intend, at an appropriate time and before contracts are executed, to take this matter up with the California Legislature in order to preclude the undesirable results which I have described, but I firmly believe that this matter should not delay either Federal or State authorization or construction.

EDMUND G. BROWN, *Governor.*

The worst that can be said about section 7, then, is that it is surplusage. Its deletion from the bill would have no substantive effect on the law applicable to the San Luis undertaking. Only an amendment affirmatively requiring adherence to the Federal acreage limitations notwithstanding the State's full payment of its share of the construction cost of the project would accomplish that which those who seek to delete section 7 mistakenly believe would be the effect of doing so.

The committee recognizes that the inclusions of surplusage is usually undesirable in a bill, but it also recognizes that the author of a bill, particularly when he is dealing with a subject that has involved bringing together as many diverse interests and points of view in his State and district as the San Luis project involves, should be given considerable latitude in the way he expresses the position that is

arrived at, more latitude than the committee might give itself if it were to start drafting a bill *ab initio*.

The committee concludes that section 7 of the bill in nowise changes established principles of reclamation law. It can well understand the possibility, however, that there might be difficulties in securing both statewide agreement and financing for the State project if there were doubt in anyone's mind concerning the relationship and the applicable laws under which each project would be constructed and operated. The committee therefore concludes that inclusion of section 7 in the bill will contribute to clarity and advance construction of the projects. The inclusion of this section, to put the matter otherwise, it is not to be interpreted as indicative of a belief on the committee's part that without it the excess land provisions of the Federal reclamation laws would be applicable to the State-served lands.

It was in the light of such considerations as those that have just been set forth that the committee rejected, by rollcall votes, amendments which would, in one case, have deleted section 7 from the bill and, in the other, replaced it with language requiring the State to agree not to serve lands which would be ineligible to receive water if they were being served by the Bureau of Reclamation.

CONGRESS TO HAVE ANOTHER OPPORTUNITY TO REVIEW PROJECT

Since the proposal for joint Federal-State development at the San Luis site presents a novel situation and involves novel problems, the committee felt that it would be desirable to review any final agreement between the Federal Government and the State before appropriations are made or, if no agreement is reached, to be advised as to why there was no agreement. This is accomplished by two provisions in section 2 of the bill. The first requires that any agreement shall recite that the liability of the United States thereunder is contingent upon the availability of appropriations and that no funds shall be appropriated to commence construction of the San Luis unit under such agreement prior to 90 days after it has been submitted to the Congress and then only if neither the House nor the Senate Interior and Insular Affairs Committee disapproves it. The second provision requires that the Secretary of the Interior, in the event of failure to reach agreement, report such failure to the Congress and not commence construction of the San Luis unit as an all-Federal project for a period of 90 days.

Under this language Congress would be given an opportunity to review the final provisions of any agreement for joint Federal-State development and use. For instance, this would permit the Congress to know what arrangements are to be made with respect to meeting the drainage problems, to know the amount of saving to the Federal Government as a result of sharing the cost of the joint-use facilities, to be advised as to the plan of operating the joint-use facilities, and so forth. The Congress and the committees would be assured that there is no misinterpretation of the language in the act and that all the requirements are met. In the event no agreement is reached Congress would have an opportunity to review the negotiations between the Federal Government and the State prior to the time construction of the San Luis unit was started as an all-Federal project.

ELECTRIC TRANSMISSION SERVICE FOR SAN LUIS UNIT

The Pacific Gas & Electric Co. has offered to furnish offpeak energy from its system for San Luis project pumping and, in exchange, take an equal amount of Central Valley project energy when it becomes available. It appears, *prima facie*, that such an exchange would benefit both the Federal Government and the company, and the plan of development presented to the committee includes the necessary works to accommodate the use of offpeak energy. It is probable, therefore, that the company's offer for exchange of energy will be accepted.

The Pacific Gas & Electric Co. also offered to make its facilities available for transmission of power from the Tracy load center to all San Luis project pumps. To implement this offer, the company proposed the following amendment:

After the listing of the features of the San Luis unit, in section 1 of the bill, add the following: "except those facilities for electric transmission or distribution service which can be obtained at less cost to the Federal Government from local public or private agencies."

The Department of the Interior advised the committee that it had no objection to the proposed amendment if the words "the Secretary determines" were added between the words "which" and "can".

This proposed amendment is somewhat similar to language which has been included in annual appropriation acts for many years. In the committee's view, the Secretary not only already has authority to contract for wheeling service in lieu of constructing electric transmission lines but would necessarily consider this alternative as a matter of good administration. Nevertheless, while there was some objection to this language, the majority favored its inclusion as a matter of principle provided the meaning was clarified. The language proposed by the company, following as it did the listing of project features to be authorized, would have permitted the Secretary, by his determination with respect to the cost of service, to delete the transmission facilities from the authorized features. It would seem more appropriate if the Secretary's determination related to whether or not the transmission facilities should be constructed rather than whether or not they are authorized. Conditions might change sometime in the future to make it desirable to construct the transmission lines.

On another point, members of the committee expressed some concern as to the meaning of the phrase "at less cost." For instance, there was no time element stated. It seemed to the committee that a comparison of the annual cost of constructing the transmission facilities with the annual cost of wheeling service could be fairly made only on a long-term basis and that therefore, in order to make a determination, the Secretary would have to have a long-term commitment on wheeling service. The consideration of these two matters resulted in the committee's adoption of language reading as follows:

but no facilities shall be constructed for electric transmission or distribution service which the Secretary determines, on the basis of an offer of a firm 50-year contract from a local public or private agency, can through such contract be obtained at less cost to the Federal Government than by construction and operation of Government facilities.

CENTRAL VALLEY PROJECT SERVICE TO AREAS IN SANTA CLARA, SAN BENITO, SANTA CRUZ, AND MONTEREY COUNTIES

Section 5 of H.R. 7155 requires that the San Luis project works be planned so as to make it possible to later furnish water through such works to areas in Santa Clara, San Benito, Santa Cruz, and Monterey Counties. The committee understands that this would not require any additional capacity in the San Luis Reservoir or any other modifications of consequence. Construction of the works required to provide the additional service could not be undertaken until a feasibility report has been completed and approved by the Secretary of the Interior and the works have been authorized by the Congress.

The committee inserted this section in the bill in recognition of previous congressional directives relating to Central Valley project service to this area. The American River Development Act of October 14, 1949, contains this language:

The Secretary of the Interior, through the Bureau of Reclamation, is hereby further authorized and directed to conduct the necessary investigations, surveys, and studies for the purpose of developing plans for disposing of the water and electric power which would be made available by the project, * * * and render reports thereon which would set forth the works required for such disposition, together with findings as to their engineering and financial feasibility, including * * * a conduit or conduits with necessary pumping plants and supplemental works extending from the most feasible diversion point on the Central Valley project, California, to serve lands and municipalities in Contra Costa, Alameda, Santa Clara, San Joaquin, and San Benito Counties.

The matter was again considered in the 85th Congress and the act of August 27, 1958 provides:

That the Secretary of the Interior is hereby authorized and directed to conduct the necessary studies and render a report to the Congress on the feasibility of a plan to provide Central Valley project service, by way of the Pacheco tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties.

The Pacheco tunnel route involves the use of San Luis project works.

As adopted by the committee, the language in section 5 is somewhat different from the original language in H.R. 302 (Gubser). The language in H.R. 302 would have authorized the works to provide service to these counties with construction conditioned upon the approval by the Secretary and the Congress of a feasibility report. Several members of the committee objected, as a matter of principle, to authorizing a project before receiving the feasibility report and the findings and recommendations of the Department even though construction was made contingent upon later approval of the report by the Congress, and the subcommittee rejected the H.R. 302 provision. The matter was again considered in full committee and the language of the present section 5 was adopted in lieu.

SUMMARY OF COMMITTEE'S FINDINGS AND COMMITTEE'S
RECOMMENDATIONS

On the basis of its extensive consideration and examination of the San Luis project over the past several years, the committee finds that the Federal San Luis unit is physically and economically feasible and a desirable and logical addition to the Federal Central Valley project.

The committee finds that water service to this area is urgently needed to prevent most of the area from returning to desert, and the committee believes that the San Luis unit should be authorized and construction undertaken at the earliest possible date.

The legislation here reported provides a sound basis for joint Federal-State development and use of the San Luis Reservoir site and for an agreement between the Secretary of the Interior and the State with respect to such development. At the same time the legislation provides the means whereby the project can be constructed as an all-Federal development in the event an agreement between the Department and the State is not reached.

The committee is pleased that all interested groups in California have reached agreement on the need for proceeding immediately with the San Luis project and on the legislation to provide for joint Federal-State development and use of the San Luis Reservoir site, and the committee believes that the legislation as here reported has not been changed in any way which would upset this unanimous agreement among State interests.

With respect to the Federal San Luis service area, the committee believes that the Federal reclamation laws, including the land limitation provisions thereof, should apply and concludes that this is made absolutely clear in the legislation here reported.

In the view of a majority of the committee, there is no justification for providing in the legislation limitations to State-served areas with respect to ownership of land and such limitations are the responsibility of the State. The committee is confident that the State of California will enact legislation expressing the public policy of the State and representing the will of the majority of the people of the State.

The Committee on Interior and Insular Affairs recommends enactment of H.R. 7155, the language of which includes all the amendments which the committee adopted.

DEPARTMENT REPORTS

Reports of the Department of the Interior on San Luis legislation follow:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 16, 1959.

HON. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives,
Washington, D.C.

DEAR MR. ASPINALL: This responds to your requests for the views of this Department on H.R. 301 and H.R. 302, both of which are bills to authorize the Secretary of the Interior to construct the San Luis

unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, and H.R. 812, a bill to provide for Federal cooperation with the State of California in the construction of the San Luis unit of the Feather River project, to authorize the Secretary of the Interior to negotiate an agreement therefor, and for other purposes.

We recommend that H.R. 301 be enacted.

If it is enacted, H.R. 301 will permit the carrying out of the proposals made in this Department's project planning report on the San Luis unit, Central Valley project, dated August 1, 1956. After clearance through the Bureau of the Budget, copies of this report were transmitted to the Congress on December 17, 1956. The general plan of Federal development of the unit was described in our report to your committee dated June 28, 1957, on H.R. 2452, H.R. 6035, and H.R. 7295, 85th Congress, and need not be repeated in this report. We also submitted reports to your committee on May 28, 1958, with respect to H.R. 9969, and on July 30, 1958, with respect to H.R. 12899, other proposals introduced in the 85th Congress relating to the authorization of the San Luis unit, Central Valley project.

H.R. 301 would provide, also, that certain of the main supply works could be constructed in a manner and to capacities to permit their joint use by the United States and the State of California. It would authorize the Secretary of the Interior to enter into an agreement with respect to the construction, operation, and financing of these joint-use facilities. Under the provisions of the bill, an equitable division of the costs of construction, operation, and maintenance of such facilities would be arrived at by negotiation. While rights to the use of capacities in the joint-use features would be similarly the subject of negotiation and agreement, subsection (f) of section 3 of the bill would require that the United States be unrestricted in its right to the use of sufficient capacities to serve the Federal San Luis unit.

In addition to favoring the enactment of legislation authorizing the construction by the Federal Government of the San Luis unit of the Central Valley project, we support the concept embraced in H.R. 301 that the main supply features may be constructed, pursuant to suitable agreement, also to serve proposed water developments by the State of California. We are of the opinion that the bill would furnish adequate authority to accomplish both of these objectives. It would provide a legislative framework within which the United States and the State could work out appropriate, mutually acceptable arrangements for the operation of the joint-use works of the San Luis unit so that the State's water development requirements could be served without adversely affecting the operation of the Federal project and without any impairment of the Federal investment. The provisions of the bill properly recognize, we believe, that such matters as the sharing of costs and of capacities of the joint-use works cannot be determined by any fixed statutory formulas but must be worked out by the contracting parties upon taking into account all relevant factors. The terms of H.R. 301 with respect to the contents of the agreement between the United States and the State of California are preferable to those of H.R. 812 which, in addition, has the disadvantage of providing no authority for

construction of the Federal San Luis unit as such under any set of circumstances.

In order to clarify certain of the provisions of the bill dealing with the sharing of costs, we suggest the following amendments for the committee's consideration:

1. In place of the sentence appearing in lines 12 through 18 on page 2, substitute the following:

"Upon agreement by the State or some other public agency to equitably share the cost as later provided in this Act, those joint-use facilities may be constructed initially either to permit future expansion or to capacities necessary to serve both the San Luis unit service area and the State's service area."

2. In line 24 on page 4, after the word "State" insert the words "shall agree to equitably share the total cost of constructing the joint-use facilities and as a part of its share".

3. In lines 3 and 23 on page 6 substitute the word "equitable" for the word "appropriate".

The sentence beginning at line 12 on page 2 indicates that the costs of the joint-use facilities should be apportioned between the United States and the State on an equitable basis. The amendments suggested above are designed, first, to rephrase the language of that sentence to make it clearer without changing its meaning in this respect and, second, to make the other provisions consistent with that sentence.

In addition, we suggest the following minor amendments:

(1) On page 2, in line 6, after the words "pumping plants" delete the word "and" and insert a comma;

(2) On page 8, in line 22, after the comma insert the words "as amended,".

The above comments with respect to H.R. 301 are equally applicable to H.R. 302. The latter bill is substantially identical to H.R. 301 but also includes a provision relating to the construction of works as a part of the Central Valley project, to serve lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties. In connection with this provision, we should like to note the recent action of the Congress in passing the act of August 27, 1958 (72 Stat. 937) which authorized this Department to make an investigation of the feasibility of the proposed work and to report thereon to the Congress.

The data called for by Public Law 801, 84th Congress, are attached for your information.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee. However, that Bureau has requested that your committee be advised that it would recommend that the provisions of H.R. 301 and H.R. 302 be modified to provide for treating the cost of minimum basic recreational facilities as part of the overall Federal cost to be allocated to the major purposes of the project subject to the cost-sharing or reimbursement requirements applicable to such purposes.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

**SUBJECT MATTER: BILL TO AUTHORIZE CONSTRUCTION OF THE SAN
LUIS UNIT, CENTRAL VALLEY PROJECT**

*Estimated additional man-years of civilian employment and expenditures for the 1st
5 years of proposed new or expanded programs*

	1959	1960	1961	1962	1963
Estimated additional man-years of civilian employment:					
Executive direction:					
Executive.....			1	1	1
Clerical.....			1	1	1
Total, executive direction.....			2	2	2
Administrative services and support:					
Account.....				3	3
Clerical.....				7	7
Property management.....				6	6
Records maintenance.....				4	4
Total, administrative services and support.....				20	20
Substantive (program):					
Engineering aids.....			10	30	30
Engineers.....			15	59	59
Geologist.....			5	5	5
Total, substantive.....			30	94	94
Total, estimated additional man-years of civilian employment.....			32	116	116
Estimated additional expenditures:					
Personal services.....			200,000	700,000	700,000
All other.....			2,450,000	9,000,000	32,000,000
Total, estimated additional expenditures.....			2,650,000	9,700,000	32,700,000

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 16, 1959.

HON. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: This responds to the request made of departmental witnesses during the recent hearings on the San Luis unit, Central Valley project, authorization bills for the views of this Department on H.R. 5681, H.R. 5682, H.R. 5684, and H.R. 5687, identical bills relating to the authorization of the San Luis unit.

This Department would not object to the enactment of any one of the bills, provided it is amended to conform with the views expressed herein.

In a report to your committee dated March 16, 1959, we recommended the enactment of H.R. 301. The bills designated above are the same as H.R. 301 except in the following respects:

(1) They would require that the joint-use facilities must be constructed either in a manner to permit future expansion to accommodate both the Federal San Luis unit and the State's water plan or to the enlarged capacities initially. This requirement is without regard to the consummation of an agreement between the Secretary of the Interior and the State of California for the sharing of costs of construction, operation and maintenance, and for the coordinated opera-

tion of the joint-use facilities. Under the provisions of H.R. 301, in the absence of such an agreement, the Secretary of the Interior would be permitted to undertake the construction of the San Luis unit without making provision in the main supply works for future enlargement.

(2) Under the provisions of the recently introduced bills, the time during which the Secretary and the State would be required to negotiate an agreement as a condition precedent to construction of the San Luis unit would extend to January 1, 1962. Under the provisions of H.R. 301, this period would run to July 1, 1960.

(3) The subject bills incorporate a new section designated section 6, which provides specifically that the Federal reclamation laws would not be applicable to water service by the State. H.R. 301 does not contain such a provision.

The provision of the bills requiring that the joint-use facilities be constructed initially to capacities to accommodate both the Federal San Luis unit and the proposed State water plan or that they be constructed in such a manner as to permit necessary future expansion is intended to assure that the State will not be precluded from sharing in the use of the main supply features of the San Luis unit by reason of initial construction to serve only the Federal unit. In view of the efforts and progress being made by State authorities in attempting to meet locally their water needs, we are sympathetic to the objective of the local groups which favor the provision. Our estimate of the cost of the San Luis Dam and Reservoir includes provision for some future expansion so that, in the event the State water plan does not materialize, the facilities might at some future date be used to serve additional Federal irrigation developments. Accordingly, we would be agreeable to the provisions of the bills insofar as they relate to the construction of the dam and reservoir.

However, the construction of the main canal would present some serious problems, both from the standpoint of engineering design and costs. Accordingly, in the event the committee should act favorably upon any one of the subject bills, we recommend that it be amended in such manner as to require either initial construction to the enlarged capacity or provision in initial construction to permit future enlargement with respect to the dam and reservoir only, and that such construction be permitted with respect to the other joint-use facilities.

In view of the fact that we are rapidly approaching the middle of calendar year 1959, it would seem reasonable to extend the cutoff date after which construction of the Federal unit could be undertaken without an agreement from July 1, 1960, to January 1, 1962.

This Department has never contended that the proposed delivery of water by the State to its service areas from and through the joint-use works would be subject to the provisions of the Federal reclamation laws, on the assumption, of course, that the State's share of the costs of construction would be met concurrently with the construction period. Therefore, we would not object to the new section 6 of the bill, but suggest that it be clarified in this respect by adding, after the figure "1956" at the end of section 6, the following: ", *Provided*, That the State's share of the construction costs of the facilities for joint use shall have been paid prior to completion of construction of such facilities".

In the event the committee should act favorably upon any one of the subject bills, we recommend the adoption of amendments to make clear in the bill that under any circumstances of construction of works for joint use, either initially or at a later date through enlargement, the State and the United States shall share the total costs of construction, operation, and maintenance of the joint-use works on an equitable basis. We do not consider that the contribution by the State of sufficient funds to pay the additional costs of designing and constructing the joint-use facilities so as to permit future enlargement will necessarily meet this requirement.

In addition to the provisions discussed above, the subject bills contain language in the last sentence of section 1 relating to the construction of drainage facilities which differs from the language of the corresponding provision of H.R. 301. However, the change in language would result in no substantive effect upon project construction or programing.

Since we are informed that there is a particular urgency for the submission of the views of the Department, this report has not been cleared through the Bureau of the Budget and, therefore, no commitment can be made concerning the relationship of the views expressed herein to the program of the President.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

SEPARATE VIEWS

The undersigned members of the committee do not concur in the inclusion of section 7 in H.R. 7155. We strongly oppose this section and are convinced that it marks a serious departure from fundamental reclamation law as written by Congress over a period of 57 years. Without the inclusion of section 7 we support H.R. 7155 and recommend its enactment. It is noteworthy that earlier bills introduced in this Congress authorizing the San Luis project did not contain any section comparable to section 7. The bill is complete without it.

This matter is important from a public viewpoint because there exist in this area predominantly large landholdings consisting of thousands of acres of rich fertile soil. We cannot ignore the public interest in the handling of any Federal reclamation project in connection with the real possibility of enhancement of huge private interests through interest-free Federal investment. The intent of the basic Reclamation Act was to use such Federal investment so that no right to the use of water for land in private ownership exceeded 160 acres to any one landowner.

H.R. 7155 authorizes a Federal reclamation project upon which the State is given authority to superimpose a State project addition. The arrangement will be worked out by contract. These are new and untried areas for reclamation. Under these circumstances it is imperative that we protect Federal interests and the basic concept of Federal reclamation law. By deleting section 7, we feel that this will be accomplished.

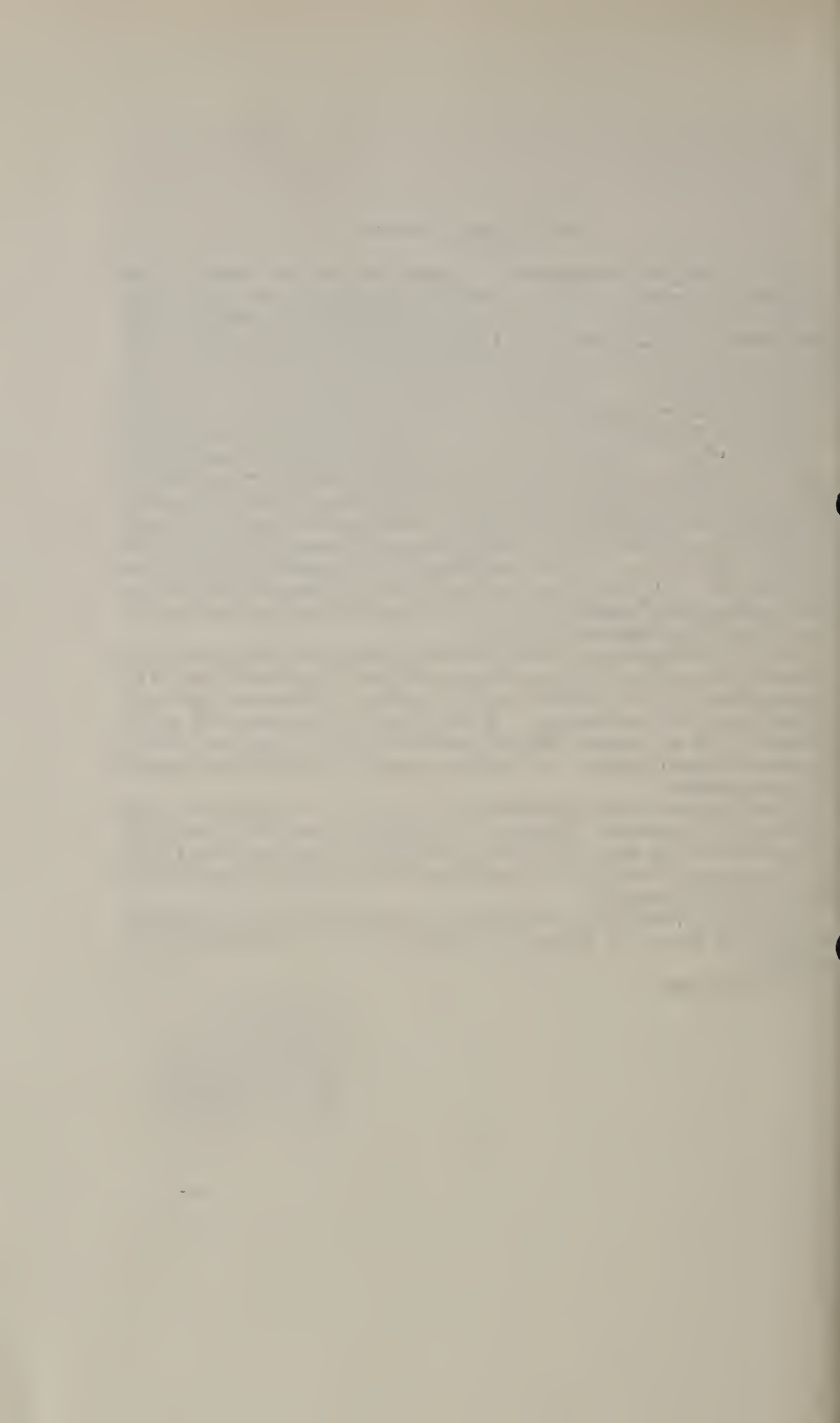
If the purpose of this legislation is to amend the reclamation law to eliminate the 160-acre limitation, it should be done in a clean bill which will do just that. But the undersigned cannot agree that such an amendment should be accomplished under a single project authorization in this manner.

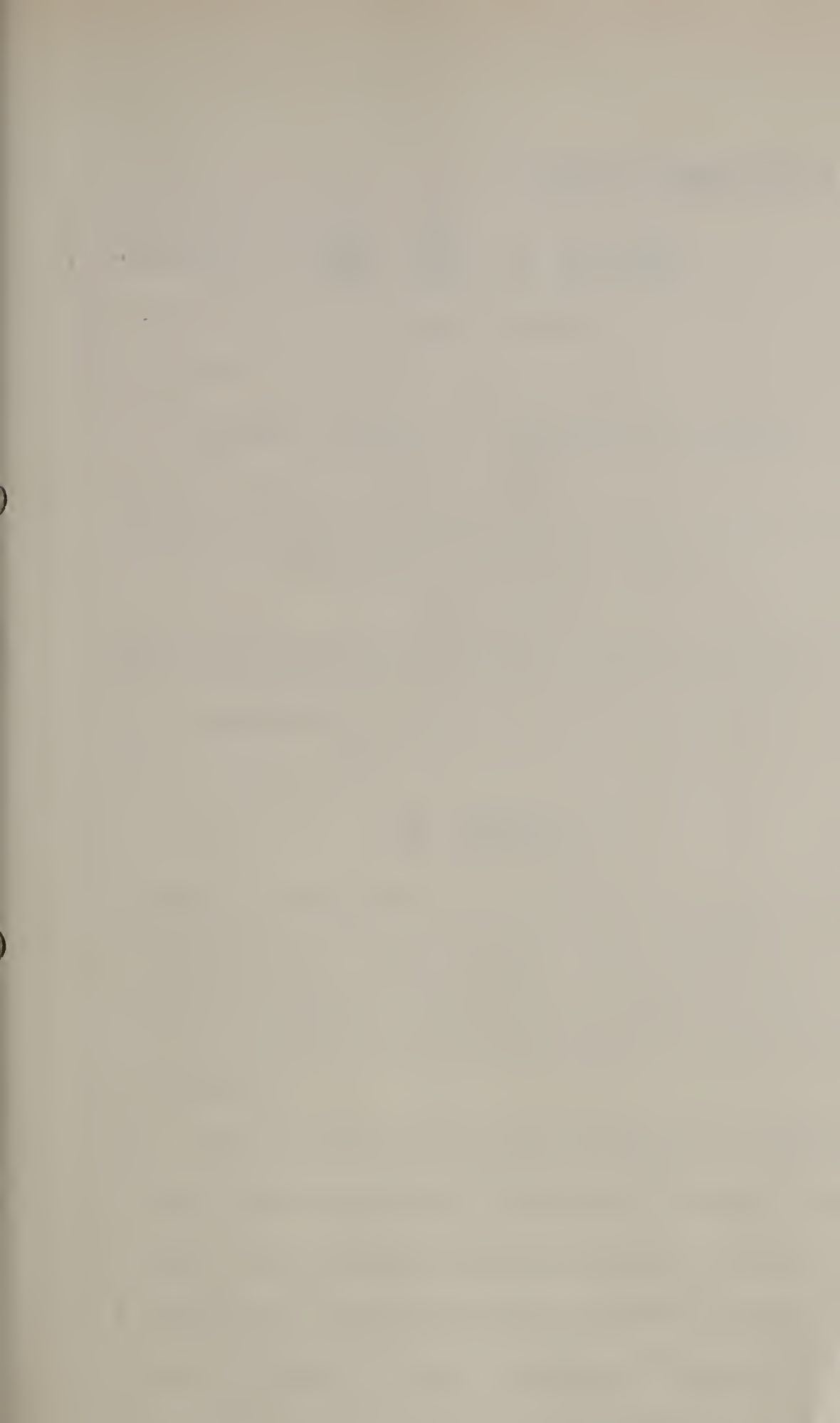
We believe it would be most unwise to make such a basic change in reclamation law as is involved in section 7, and we recommend its deletion.

May 18, 1959.

GRACIE PFOST.
AL ULLMAN.
LEROY ANDERSON.
QUENTIN BURDICK.
WM. J. RANDALL.
RALPH S. RIVERS.

○





86TH CONGRESS
1ST SESSION

H. R. 7155

[Report No. 399]

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 1959

Mr. SISK introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

MAY 27, 1959

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the principal purpose of furnishing water for the
4 irrigation of approximately five hundred thousand acres of
5 land in Merced, Fresno, and Kings Counties, California,
6 hereinafter referred to as the Federal San Luis unit service
7 area, and as incidents thereto of furnishing water for mu-
8 nicipal and domestic use and providing recreation and fish

1 and wildlife benefits, the Secretary of the Interior (herein-
2 after referred to as the Secretary) is authorized to con-
3 struct, operate, and maintain the San Luis unit as an inte-
4 gral part of the Central Valley project. The principal en-
5 gineering features of said unit shall be a dam and reservoir
6 at or near the San Luis site, a forebay and afterbay, the San
7 Luis Canal, the Pleasant Valley Canal, and necessary
8 pumping plants, distribution systems, drains, channels,
9 levees, flood works, and related facilities, but no facilities
10 shall be constructed for electric transmission or distribution
11 service which the Secretary determines, on the basis of an
12 offer of a firm fifty-year contract from a local public or
13 private agency, can through such contract be obtained at
14 less cost to the Federal Government than by construction
15 and operation of government facilities. The works (herein-
16 after referred to as joint-use facilities) for joint use with
17 the State of California (hereinafter referred to as the State)
18 shall be the dam and reservoir at or near the San Luis site,
19 forebay and afterbay, pumping plants, and the San Luis
20 Canal. The joint-use facilities consisting of the dam and
21 reservoir shall be constructed, and other joint-use facilities
22 may be constructed, so as to permit future expansion; or the
23 joint-use facilities shall be constructed initially to the capa-
24 cities necessary to serve both the Federal San Luis unit
25 service area and the State's service area, as hereinafter pro-

1 vided. In constructing, operating, and maintaining the San
2 Luis unit, the Secretary shall be governed by the Federal
3 reclamation laws (Act of June 17, 1902 (32 Stat. 388),
4 and Acts amendatory thereof or supplementary thereto).
5 Construction of the San Luis unit shall not be commenced
6 until the Secretary has (1) secured, or has satisfactory
7 assurance of his ability to secure, all rights to the use of
8 water which are necessary to carry out the purposes of the
9 unit and the terms and conditions of this Act, and (2) re-
10 ceived satisfactory assurance from the State of California
11 that it will make provision for a master drainage outlet and
12 disposal channel for the San Joaquin Valley, as generally
13 outlined in the California water plan, Bulletin Numbered 3,
14 of the California Department of Water Resources, which
15 will adequately serve, by connection therewith, the drain-
16 age system for the San Luis unit or has made provision for
17 constructing the San Luis interceptor drain to the delta de-
18 signed to meet the drainage requirements of the San Luis
19 unit as generally outlined in the report of the Department of
20 the Interior, entitled "San Luis Unit, Central Valley Proj-
21 ect," dated December 17, 1956.

22 SEC. 2. The Secretary is authorized, on behalf of the
23 United States, to negotiate and enter into an agreement with
24 the State of California providing for coordinated operation
25 of the San Luis unit, including the joint-use facilities, in

1 order that the State may, without cost to the United States,
2 deliver water in service areas outside the Federal San Luis
3 unit service area as described in the report of the Department
4 of the Interior, entitled "San Luis Unit, Central Valley
5 Project", dated December 17, 1956. Said agreement shall
6 recite that the liability of the United States thereunder is con-
7 tingent upon the availability of appropriations to carry out its
8 obligations under the same. No funds shall be appropriated
9 to commence construction of the San Luis unit under any such
10 agreement, except for the preparation of designs and speci-
11 fications and other preliminary work, prior to ninety calen-
12 dar days (which ninety days, however, shall not include days
13 on which either the House of Representatives or the Senate
14 is not in session because of an adjournment of more than
15 three calendar days to a day certain) after it has been sub-
16 mitted to the Congress, and then only if neither the House
17 nor the Senate Interior and Insular Affairs Committee has
18 disapproved it by committee resolution within said ninety
19 days. If such an agreement has not been executed by
20 January 1, 1962, and if, after consultation with the Governor
21 of the State, the Secretary determines that the prospects of
22 reaching accord on the terms thereof are not reasonably
23 firm, he may proceed to construct and operate the San Luis
24 unit in accordance with section 1 of this Act: *Provided,*
25 That, if the Secretary so determines, he shall report thereon

1 to the Congress and shall not commence construction for
2 ninety calendar days from the date of his report (which
3 ninety days, however, shall not include days on which either
4 the House of Representatives or the Senate is not in session
5 because of an adjournment of more than three days). In
6 considering the prospects of reaching accord on the terms
7 of the agreement the Secretary shall give substantial weight
8 to any relevant affirmative action theretofore taken by the
9 State, including the enactment of State legislation author-
10 izing the State to acquire and convey to the United States
11 title to lands to be used for the San Luis unit or assistance
12 given by it in financing Federal design and construction
13 of the unit. The authority conferred upon the Secretary
14 by the first sentence of this section shall not, except as is
15 otherwise provided in this section, be construed as a limi-
16 tation upon the exercise by him of the authority conferred
17 in section 1 of this Act, but if the State shall agree that,
18 if it later enlarges the joint-use facilities, or any of them,
19 it will pay an equitable share of the cost to the United
20 States of those facilities as initially constructed before utiliz-
21 ing them for the storage or delivery of water and will bear
22 the entire cost of enlarging the same and if, as a part of
23 said equitable share, it makes available to the Secretary
24 sufficient funds to pay the additional cost of designing and
25 constructing the joint-use facilities so as to permit enlarge-

1 ment, it shall have an irrevocable right to enlarge or modify
2 such facilities at any time in the future, and a perpetual
3 right to the use of such additional capacity: *Provided*, That
4 the performance of such work by the State, after approval
5 of its plans by the Secretary, shall be so carried on as not
6 to interfere unduly with the operation of the project for
7 the purposes set forth in section 1 of this Act and the
8 use of the additional capacity for water service shall be
9 limited to service outside of the Federal San Luis unit
10 service area: *And provided further*, That this right may be
11 relinquished by the State at any time at its option.

12 SEC. 3. The agreement between the United States and
13 the State referred to in section 2 of this Act shall provide,
14 among other things, that—

15 (a) the joint-use facilities to be constructed by the
16 Secretary shall be so designed and constructed to such
17 capacities and in such manner as to permit either (i)
18 immediate integration and coordinated operation with
19 the State's water projects by providing, among other
20 things, a capacity in San Luis Reservoir of approxi-
21 mately two million one hundred thousand acre-feet and
22 corresponding capacities in the other joint-use facilities
23 or (ii) such subsequent enlargement or other modifica-
24 tion as may be required for integration and coordinated
25 operation therewith;

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint-use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint-use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the pur-

1 pose of said agreement, the State shall convey to the
2 United States title to any lands, easements, and rights-
3 of-way which it then owns and which are required for
4 the joint-use facilities. The State shall be given credit
5 for the costs of these lands, easements, and rights-of-
6 way toward its share of the construction cost of the
7 joint-use facilities. The State shall likewise be given
8 credit for any funds advanced by it to the Secretary for
9 preparation of designs and specifications or for any other
10 work in connection with the joint-use facilities;

11 (f) the rights to the use of capacities of the joint-
12 use facilities of the San Luis unit shall be allocated to the
13 United States and the State, respectively, in such man-
14 ner as may be mutually agreed upon. The United
15 States shall not be restricted in the exercise of its right
16 so allocated, which shall be sufficient to carry out the
17 purposes of section 1 of this Act and which shall extend
18 throughout the repayment period and so long there-
19 after as title to the works remains in the United States.
20 The State shall not be restricted in the exercise of its
21 allocated right to the use of the capacities of the joint-
22 use facilities for water service outside the Federal San
23 Luis unit service area;

24 (g) the Secretary may turn over to the State the
25 care, operation, and maintenance of any works of the

San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) notwithstanding transfer of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939, and amendments thereto, for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue to be subject to the same limitations and obligations and to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1) in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), as amended, the features of the unit to which such allocations is attributable shall, notwithstanding transfer of the care, operation, and

1 maintenance to the State, be operated and maintained
2 in such wise as to retain the bases upon which such al-
3 location is premised and, upon failure so to operate and
4 maintain those features, the amount allocated thereto
5 shall become a reimbursable cost to be paid by the State;

6 (j) the State shall not serve any lands within the
7 Federal San Luis unit service area except as such service
8 is required as a consequence of its acceptance of the care,
9 operation, and maintenance of works under paragraph
10 (g) of this section.

11 SEC. 4. In constructing, operating, and maintaining a
12 drainage system for the San Luis unit, the Secretary is au-
13 thorized to permit the use thereof by other parties under
14 contracts the terms of which are as nearly similar as is prac-
15 ticable to those required by the Federal reclamation laws in
16 the case of irrigation repayment or service contracts and is
17 further authorized to enter into agreements and participate
18 in construction and operation of drainage facilities designed
19 to serve the general area of which the lands to be served by
20 the San Luis unit are a part, to the extent the works au-
21 thorized in section 1 of this Act contribute to drainage
22 requirements of said area. The Secretary is also authorized
23 to permit the use of the irrigation facilities of the San Luis
24 unit, including its facilities for supplying pumping energy,

1 under contracts entered into pursuant to section 1 of the
2 Act of February 21, 1911 (36 Stat. 925; 43 U.S.C. 523).

3 SEC. 5. The Secretary is directed to plan the works
4 authorized in this Act in such a manner as to contemplate
5 and make possible the future provision of Central Valley
6 project service, by way of the Pacheco Tunnel route, to lands
7 and municipalities in Santa Clara, San Benito, Santa Cruz,
8 and Monterey Counties heretofore anticipated as a possibility
9 by the Acts of ~~December~~ *October* 14, 1949 (63 Stat. 852)
10 and August 27, 1958 (72 Stat. 937). Construction of addi-
11 tional works to provide such service shall not be undertaken
12 until a report demonstrating their physical and economic
13 feasibility has been completed, reviewed by the State, and
14 approved by the Secretary, and the works have been author-
15 ized by Act of Congress.

16 SEC. 6. The Secretary is authorized, in connection with
17 the San Luis unit, to construct minimum basic public recre-
18 ational facilities and to arrange for the operation and main-
19 tenance of the same by the State or an appropriate local
20 agency or organization. The cost of such facilities shall be
21 nonreturnable and nonreimbursable under the Federal
22 reclamation laws.

23 SEC. 7. The provisions of the Federal reclamation laws
24 shall not be applicable to water deliveries or to the use of

1 drainage facilities serving lands under contract with the
2 State to receive a water supply, outside of the Federal San
3 Luis unit service area described in the report of the Depart-
4 ment of the Interior, entitled "San Luis Unit, Central Valley
5 Project", dated December 17, 1956.

6 SEC. 8. There is hereby authorized to be appropriated
7 for construction of the works of the San Luis unit, including
8 joint-use facilities, authorized by this Act, other than dis-
9 tribution systems and drains, the sum of \$290,430,000, plus
10 such additional amount, if any, as may be required by reason
11 of changes in costs of construction of the types involved in
12 the San Luis unit as shown by engineering indexes. Said
13 base sum of \$290,430,000 shall, however, be diminished
14 to the extent that the State makes funds or lands or interests
15 in land available to the Secretary pursuant to sections 2 or
16 3 of this Act which decrease the costs which would be in-
17 curred if the works authorized in section 1 of this Act (in-
18 cluding provision for their subsequent expansion) were
19 constructed solely as a Federal project. There are also
20 authorized to be appropriated, in addition thereto, such
21 amounts as are required (a) for construction of such dis-
22 tribution systems and drains as are not constructed by local
23 interests, and (b) for operation and maintenance of the unit.
24 All moneys received by the Secretary from the State under

1 this Act shall be covered into the same accounts as moneys
2 appropriated hereunder and shall be available, without
3 further appropriation, to carry out the purposes of this Act.

[Report No. 399]

A BILL

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

By Mr. SISK

MAY 14, 1959

Referred to the Committee on Interior and Insular
Affairs

MAY 27, 1959

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

Issued May 18, 1960
For actions of May 17, 1960
86th-2d, No. 90

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HIGHLIGHTS: Senate subcommittee approved agricultural appropriation bill. House debated legislative branch appropriation bill. Rep. Burdick criticized soil bank program. Sen. Johnston introduced and discussed bill to provide nutritional enrichment of rice distributed by Federal Government.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1961. The "Daily Digest" states that the Appropriations Subcommittee marked up and approved with amendments for full committee consideration this bill, H. R. 12117. p. D423
2. DEPRESSED AREAS. Sen. Thurmond commended the President's veto of S. 722, the depressed areas bill, contended that the bill "is an effort by the Congress to substitute its judgment for that of the industries which had either chosen not to locate in areas in which it was found uneconomical to operate, reduced their operations in such areas, or removed their plants to areas where a more favorable economic climate existed," and expressed hope that any effort to override the veto would be defeated. p. 9695
3. LIBRARY SERVICES. Sen. Moss urged enactment of legislation to extend the Library Services Act for five years, stated that the benefits of the program "have flowed into rural America in all sections of the country," and reviewed the accomplishments of the program in Utah. p. 9665

HOUSE

4. LEGISLATIVE APPROPRIATION BILL, 1961. Began debate on this bill, H. R. 12232. At the request of Rep. Albert, deferred further action until Thurs., May 19. pp. 9702-7
5. RECLAMATION. Began debate on H. R. 7155, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, Calif., to enter into an agreement with respect to the construction and operation of such unit (pp. 9707-29). Reps. Smith and Sisk discussed amending the bill to prohibit the growing of crops in surplus supply (pp. 9710-11).

Received from the Interior Department a report that adequate soil survey and land classification necessary for formulation of a definite project plan has been completed on the East Bench unit, Missouri River Basin project, Mont. p. 9739
6. MILK SANITATION. Rep. Johnson, Wis., urged support for his bill to place the responsibility for establishing and administering a Federal milk sanitation code in the Surgeon General and gave his answer to the "16 objections to the legislation ... mentioned most frequently." pp. 9729-31
7. FAIR TRADE. Rep. Harris urged Congressmen to sign a discharge petition for consideration of H. R. 1253, to amend the Federal Trade Commission Act so as to equalize rights in the distribution of merchandise identified by a trademark, brand, or trade name. p. 9732
8. FARM PROGRAM. Rep. Andersen, Minn., urged support of his proposed "green acres" farm program, which would combine reduced acreage with a payment-in-kind program. pp. 9734-5
9. SOIL BANK. Rep. Burdick criticized the soil bank program, claiming it is "systematically destroying the fabric of North Dakota's small community life." He said farmers, rather than placing a part of their land in soil bank, "find it easier to retire all of their crop land and move into town" thereby continuing "his income from his land without any of the headaches of active farming or private renting." pp. 9738-9
10. LANDS. The Public Works Committee voted to report (but did not actually report) H. R. 11522, to permit Government agencies to sell or transfer real property to States, municipalities, and other political subdivisions for road purposes. p. D426

ITEMS IN APPENDIX

11. SUGAR. Extension of remarks of Sen. Fong inserting 3 editorials and stating that they stress the "tremendous importance of sugar to Hawaii's economy and the need for action on legislation which would extend the Sugar Act." p. A4175
12. DEPRESSED AREAS. Sen. Randolph inserted an editor's letter to the President urging approval of depressed areas legislation and a statement by AFL-CIO terming the President's veto as "shameful." pp. A4178-9
Extension of remarks of Rep. Widnall urging Congress "to get busy and pass a good depressed areas bill." p. A4180

Mr. Chairman, let me add that the House physician also has a seven-passenger, air-conditioned Cadillac and chauffeur at his disposal. This has been provided by the legislative branch. He also has a Chrysler Imperial which I understand is supplied by the Navy.

As a naval officer he also has free medical care; a free retirement plan, and an added fringe benefit is reduced rates for personal purchase—PX commissary—if he cares to avail himself of that service.

Mr. Chairman, the time has come to scrutinize all these expenditures with the utmost care, and that I propose to do in the future.

The Clerk concluded the reading of the bill.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Committee has just finished consideration of the legislative appropriation bill, which of course covers the Office of the Parliamentarian; and I just want to express this thought. Our parliamentarian has been indisposed and is in the hospital. Lou Deschler has the respect of all of us. We are all very fond of him, and I just want to use this minute to express my regret at his illness and hope that he will soon be back with us. I know all Members join me in wishing Lou well and extending best wishes.

Mr. NORRELL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that in his opinion the ayes appeared to have it.

Mr. HOFFMAN of Michigan. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that further proceedings on this matter go over until Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. Does the gentleman from Michigan withdraw his point of order?

Mr. HOFFMAN of Michigan. No. I am advised that I cannot withdraw it.

CALL OF THE HOUSE

The SPEAKER. Under the unanimous-consent agreement, further proceedings on this bill have been postponed until Thursday.

Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Alexander	Friedel	Magnuson
Alford	Gaymatz	Mitchell
Anderson,	Gilbert	Morris, Okla.
Mont.	Goodell	Moulder
Arends	Granahan	Multer
Auchincloss	Green, Oreg.	Nix
Ayres	Green, Pa.	Powell
Borden	Griffiths	Riehlman
Baring	Hargis	Rogers, Mass.
Barry	Hebert	Rogers, Tex.
Baumhart	Herlong	Scott
Blatnik	Hogan	Sheppard
Bonner	Holtzman	Short
Brewster	Jackson	Smith, Kans.
Brown, Mo.	Johnson, Colo.	Smith, Miss.
Buckley	Johnson, Md.	Spence
Canfield	Jones, Ala.	Taber
Celler	Kearns	Taylor
Cheff	Kilburn	Teague, Tex.
Coffin	Kirwan	Teller
Davis, Tenn.	Kluczyński	Thompson, La.
Devine	Lafore	Walter
Diggs	Landrum	Widnall
Durham	Lankford	Williams
Edmondson	Libonati	Willis
Farbstein	McCulloch	Withrow
Flynn	McDowell	Zelenko
Fogarty	McGovern	
Forand	Madden	

The SPEAKER. On this rollcall 341 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

SAN LUIS UNIT OF THE CENTRAL VALLEY PROJECT

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 514 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7155) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill

and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee [Mr. REECE], and yield myself such time as I may consume.

The SPEAKER. The gentleman from Virginia is recognized.

Mr. SMITH of Virginia. Mr. Speaker, this is a rule providing for the consideration of the bill (H.R. 7155) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes. It is an open rule providing for 3 hours of general debate.

The bill has been before the Rules Committee on several occasions. Frankly, I have serious doubts about the bill myself. There is this feature about it which is very complicated: It is a joint project between the State of California and the Federal Government, for this project is an integral part of the Federal project known as the Central Valley project.

This bill will cost the Federal Government something like \$250 million and a figure of that size always scares me. However, from a thorough investigation I made outside of the testimony before the Rules Committee I ascertained that the State of California had already proceeded on the project, had made certain binding arrangements with the Federal Government, and was so deeply involved in it that there was no question in my mind that the matter would work out all in good faith by both the State of California and the Federal Government; and I hope this rule will be adopted.

There is one controversial matter in the bill and I think the House ought to know about it, because I think all of us will want to consider it. There is a clause in the bill, a saving clause, known as section 7, which provides that the fact the State of California enters its project along with the Federal project does not bind the State under certain provisions of the National Reclamation Act. In other words, it is a States' rights question and California desires to reserve its rights. It hinges around that provision in the Reclamation Act regarding the 160-acre limitation to one individual. I would hope that the House would sustain the committee on this provision and leave section 7 in the bill. But I mention it because I think it involves a controversial matter.

Mr. Speaker, this is all I have to say on the subject. I hope the rule will be adopted.

The SPEAKER. The gentleman from Tennessee is recognized.

Mr. REECE of Tennessee. Mr. Speaker, I have no demand for time on this side, and I shall not take any time myself except to say that I associate myself with the remarks of the gentleman from Virginia; I hope that the rule will be adopted and that the bill with section 7 may pass.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7155) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7155) with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. ASPINALL. Mr. Chairman, I yield myself 14 minutes.

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Chairman, the Committee on Interior and Insular Affairs brings to the Committee at this time one of the finest reclamation projects that we have endorsed and recommended for many years. We have so scheduled our time that it is my opinion we shall be able to present the arguments for the legislation logically, and I am sure that those who are in opposition will also have time to voice their position. Also the one section which is in dispute will be argued by the proponents and opponents, so that all Members may understand what is involved.

Due to the fact that this is an important piece of legislation and the only really large reclamation project that will be brought before the 86th Congress, I shall speak from manuscript and as soon as I finish reading the manuscript I shall try to answer any questions if there are any.

Mr. Chairman, H.R. 7155, the legislation now before the Committee, has for its purpose the authorizing of the construction and operation and maintenance of the San Luis irrigation unit of the Central Valley project of the State of California. This is a multipurpose facility with 99.97 percent of the cost allocated to irrigation, which means for all practical purposes the entire cost of construction of this project shall be repaid in full. The project has the unqualified approval of the Department of the Interior and the Bureau of the Budget. It is also has unanimous support in California.

The San Luis unit is the next logical addition to the Central Valley project which was initially authorized in 1937. The American River division was added in 1949, the Sacramento Canals division in 1950, and the Trinity River division in 1955. The San Luis unit has been under study since 1943.

Mr. Chairman, this is one of the best irrigation projects that has been recommended by the House Committee on Interior and Insular Affairs for many

years. To my friends who usually support these programs, may I say to you that this legislation is in line with established principles and policies approved and followed over the years. To my friends who are critical of such Federal activities, may I say to you that this legislation meets most of the objections which you have voiced here on the floor in the past. As we present our case, we shall appreciate it very much if you will give us your close attention so that if your questions are not answered by our direct presentation then we may have the opportunity and privilege of attempting to answer to your satisfaction any questions that remain.

The San Luis project, which would be authorized by this bill, meets the three all-important requisites necessary in such matters:

(a) It possesses engineering feasibility, that is, the facilities which are contemplated can be built to do the job required of them.

(b) It possesses economic feasibility, that is, the benefits to the State and Nation which will flow from the project far outweigh the costs of the project.

(c) It possesses financial feasibility, that is, the costs which are reimbursable will be repaid to the Federal Government within the regularly established and accepted payout period of 50 years.

Other speakers will go into these matters in more detail.

Mr. Chairman, for many years now, the membership of your House Committee on Interior and Insular Affairs, with me as their spokesman in such matters, have endeavored to support and champion an orderly and constructive irrigation and reclamation construction program. It has been our thinking that this is the responsibility of Congress and not of the agencies in the executive branch. To such purpose, I have met annually with the Subcommittee on Appropriations for Public Works. I have consistently presented what I considered to be a reasonable and orderly program for the Bureau of Reclamation. At times this has meant asking for new starts. At other times, as this year, it has meant supporting the recommendations coming up to us from downtown.

The legislative record of reclamation and irrigation authorizations, together with amounts appropriated for construction of such programs since 1947, Congress by Congress, is as follows:

[In millions]

	Authorizations	Construction appropriations
80th Cong. (1947-48).....	\$40.5	\$375.9
81st Cong. (1949-50).....	479.1	579.0
82d Cong. (1951-52).....	16.1	385.5
83d Cong. (1953-54).....	130.3	247.7
84th Cong. (1955-56).....	1,162.8	303.0
85th Cong. (1957-58).....	71.2	361.6
Total.....	1,900.0	2,252.7
Average per Congress....	317.0	375.0

Authorizations for the 1st session of the 86th Congress total about \$14.4 million while appropriations amounted to \$207 million.

It can be seen from these figures that the average authorization per Congress

since 1947 has been in the amount of \$317 million and the average appropriations for each Congress has been \$375 million.

A large portion of the appropriations during this 12-year period has been used for construction of projects authorized prior to this period such as the initial units of the Missouri Basin and Central Valley projects and the Columbia Basin project and, of course, a large portion of the work on the larger projects authorized during this period remains to be done, but this comparison does illustrate the point that I want to make and that is that over a long period the authorizations must support the construction program.

The civil works construction program of the Corps of Engineers has received an average of over \$1.13 billion per Congress during the same 12-year period compared with the \$375 million for the reclamation program, or three times as much. The civil works program is fully justified and I support it. I make this comparison only to show that the reclamation program has not kept pace with the civil works program in our expanding economy.

It is my belief, and I have so recommended to the Subcommittee on Appropriations for Public Works, that the national economy can stand, in fact, would be enhanced by, an annual irrigation and reclamation construction program of around \$300 million, give or take a few million as each year presented itself.

This now brings me to the amount in dollars that is involved in the legislation that is before us, and the relationship of this amount to our program of authorizations for the 86th Congress.

The San Luis bill would authorize the appropriation of \$290 million for construction of the San Luis unit. In addition to the basic project, distribution, and drainage systems, costing about \$192 million will be needed. These systems could be built by the local districts or they could be built by the Federal Government. Those that are built by the Federal Government must be paid for in 40 years under separate repayment contracts. I would like to point out that agreement with the State with respect to joint construction, and I do not believe there is any question but that there will be such agreement, would result in a reduction in the Federal cost of about \$50 million. This is simply a matter of sharing the cost of works built to capacity to serve both the San Luis unit and State service areas. Additional amounts may be saved if a satisfactory agreement can be reached with the local power company for power transmission.

While the amount involved in this bill is a rather large single item, it must be considered in the light of the expected overall program for reclamation authorizations in the 86th Congress. In the first session, three small projects were authorized involving a total amount of only \$14 million and the addition of the San Luis project would result in authorizations totaling only a little over \$300 million, plus whatever amount is required for the San Luis distribution systems. The point I am making is that this one

project constitutes practically the entire authorizations program for the 86th Congress.

Mr. Chairman, I would like to discuss very briefly section 7 of the bill, which appears to be the only controversial matter involved in this legislation. Section 7 provides that the Federal reclamation laws shall not be applicable to water deliveries by the State of California from the jointly used San Luis facilities to lands outside the Federal San Luis unit service area. Now, it is my position and the position of the majority of my committee that it makes no difference whether this section is in the bill or out. We do not believe that reclamation law would be applicable to State-served lands even if this section is removed. The basis for this position is discussed in detail in the committee's report. The section was included in the bill at the request of the State of California as a means of bringing into unanimous agreement the many diverse interests and points of view in the State.

It is only by chance that there is any connection between the Federal and State projects. If two reservoir sites had existed, each government would probably have used one of them on its own terms, and the excess-lands problem, as applied to State lands, would not have arisen. But the physical situation is such that there is only one adequate reservoir site in the area to serve both projects. The State of California will have paid its entire share of the cost of constructing the joint-use facilities prior to its utilization of them for storage and delivery of water.

The majority of my committee feel that, insofar as there is a problem of large ownerships in the State-served area, this is a matter for the State of California to resolve. It is my understanding that the Governor of California is now in the process of formulating a State policy with respect to large ownerships served by State projects and that his recommendations will be submitted to the State legislature.

Because there has been so much misunderstanding and misinformation on this matter of excess lands, I want to make one point unmistakably clear. The legislation we are considering here requires the operation of the Federal San Luis unit under the provisions of Federal reclamation law, including the excess-land provisions thereof, and there is no way that large landowners in the Federal San Luis area can avoid compliance with such provisions.

In closing, Mr. Chairman, I would like to make a brief statement on reclamation development in general. In my opinion, the continued development of supplemental water supplies for existing irrigated areas is entirely consistent with sound long-term agricultural objectives. It provides the most important basic element to a successful regional economy, a stable diversified agriculture; it complements and enhances our overall agricultural economy, tending to alleviate, rather than add to, the existing imbalances or surpluses; and it helps to insure adequate future food and fiber for our rapidly growing population.

The objective of expanding the economy of the West is of prime importance to the whole Nation. The Federal reclamation program has been one of the important tools by which the underdeveloped arid and semiarid regions of the West have been made into a habitable and productive part of the Nation by promoting westward movement of population, business, and agriculture and providing a solid base for investment and employment where little existed previously. The reclamation program still has these positive influences today.

With respect to my statement that reclamation tends to alleviate the existing imbalances in agriculture, I have this to say. It is not widely understood that irrigation farming in the West enjoys a complementary, rather than competitive, relationship with the whole of the country's agriculture. Of the major crops in surplus, those that constitute more than four-fifths of the holdings and loan commitments of the Commodity Credit Corporation, reclamation farms grew only three of these crops and the 1958 contribution from reclamation farms amounted to only 1.8 percent of the holdings. The reason why this proportion is so small when the total importance of reclamation in the economy of the West is so great is that the irrigation farmer has been able to shift production from surplus crops to those that are in current demand. The non-irrigated land is largely tied to a one-crop economy and cannot diversify in response to changing demand patterns. Reclamation has played a large role in facilitating these adjustments and in enhancing the efficiency of the agriculture of the West as a whole. The misapprehension that any extension of irrigation will compound the Nation's agricultural difficulties is not borne out by the facts, either past or present.

In addition, we are advised by agricultural authorities that our present crop imbalances are merely temporary and that continued efforts are needed in research and the conservation and development of soil and water resources. They emphasize that the capacity to meet the food and fiber needs of the expanding population does not just happen automatically. Because major irrigation projects do not reach a fully developed stage until 15 to 25 years after the start of authorization, it is essential that reclamation needs be viewed in future perspective.

The Nation's population is increasing at about 8,600 additional persons per day while the acreage of good cropland diminishes at a rate of 3,000 acres per day due to conversion to roads, airports, and cities. Just how soon our agricultural abundance will give way to shortages depends on what positive steps are taken to overcome the effects of these incursions.

To accommodate the tremendous population surge toward the West the base for economic development has to be provided via water resource development for farms and cities. The material demands of these new westerners come back to the eastern industrial centers in the form of orders for new equipment, new cars, new

appliances, additional fuel, chemicals, clothing, and capital.

Our reclamation authorization program for the 86th Congress, to a large extent, is included in this one bill to authorize the San Luis project. I urge my colleagues to give their approval to this legislation.

Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. SISK].

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SISK. I am happy to yield to my colleague, the gentleman from Arizona.

Mr. UDALL. I want to pay a tribute to the gentleman from California. He and I came to the Congress at the same time, and we have sat along side each other in committee for 6 years. This represents, I think, a notable day, a red letter day, for him because when he came to the Congress, his main aim as a Congressman was to get the San Luis project authorized. I have sat by him over the years and I know the work he has put into the planning of this project. Today, we have the culmination of his efforts and the efforts of his colleagues on the committee. I think this project is soundly conceived. I think it is a project which is in the national interest. Every Member of this body can conscientiously support it. I just want to compliment my colleague for the conscientious and hard work that he has put in over the past 6 years on this project, and I am delighted to be here on the floor today to support him and his project.

Mr. SISK. I certainly thank my colleague, the gentleman from Arizona, for his kind remarks. I am also deeply grateful to him for the assistance he has been in what amounted to a major endeavor to get this project thus far along the road.

Mr. Chairman, I would like first to call the attention of the Members to these charts, which we have here in front of you at the present time.

I want to call your attention to the map here to my left which shows the existing Central Valley project of California, the portion which has heretofore been constructed. That is the portion which is shown in green, starting in the north end of the State, up on the Sacramento River, showing the Shasta Dam and powerplant and the Keswick Dam and powerplant.

This portion, under construction at the present time, is the Trinity project. Then, coming on down the river, there is the Folsom Dam, Nimbus, and Sly Park. Then in the San Joaquin Valley is the Friant-Kern Canal which takes the water from Fresno County south, and the Madera Canal, together with the Delta-Mendota Canal into this area along the San Joaquin River. Also, the existing Tracy pumping plant.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. ASPINALL. Will you explain the direction of the flow of the water in that particular area?

Mr. SISK. I will be glad to. I appreciate the gentleman calling my atten-

tion to this. I realize that some of these things are confusing. Actually, the Sacramento is flowing down here south into San Francisco Bay, and into the Pacific Ocean through the delta area. The San Joaquin River is flowing north from the lower end of the valley, and then into the delta area, where the water also empties through the bay and into the Pacific Ocean. As a result it can be confusing, when we have rivers flowing actually in opposite directions, and these rivers are fed by a series of streams, such as the Kern, Kings, the Fresno, Merced, and so forth. In the north they are fed by the Feather River, the Yuba, and many others. But the two rivers that converge in this delta area cause the surplus water to be dumped into the Pacific Ocean.

The project we have under consideration at this time, the San Luis project, is shown in red on this map, and it proposes to use existing facilities and add new ones. At the time that the Central Valley projects was constructed in this area and Friant Dam was built and the water diverted north and south from the San Joaquin, it was necessary to replace the water taken out of the river for these people who had water rights on the San Joaquin. So at that time there was a pumping plant built at Tracy.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. GEORGE P. MILLER. I think, in order to clarify the matter so that it will be better understood, we should point out there is a surplus of water in the Sacramento watershed to the north, whereas the amount of water that is collected and falls into the San Joaquin Valley and runs north, is in short supply and cannot irrigate all of the available land in the lower San Joaquin Valley.

Mr. SISK. I appreciate the gentleman's contribution, because that is exactly the situation. That is an area of deficient water. That is the reason why it is necessary to have these various water projects.

Continuing this explanation, this is the reason why it is necessary to take water out of the delta and bring it down into the Central Valley to irrigate this area of land. At the present time the Tracy pumping plant is used only in the summer or during the irrigation season, since there is no storage in this area. Those facilities are idle during the winter months when there is a great deal of rain occurring in those mountains, and millions of acre-feet of water pour out into the Pacific as waste water.

The San Luis project proposes to use these existing facilities during the months of December, January, and February to bring the water down through existing facilities and pump it into the San Luis Dam Reservoir at this point.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I shall be very happy to yield.

Mr. JONAS. Will you tell the committee whether the cotton acreage in the project is in the green-colored area or in the brown-colored area?

Mr. SISK. At the present time, so far as existing cotton acreage in the valley area is concerned, it would be scattered over the valley, including this particular area here.

Mr. JONAS. That is the brown-colored area.

Mr. SISK. That is right.

Mr. JONAS. And there is no irrigation in that area?

Mr. SISK. Yes, there is. That is what I wanted to proceed to as quickly as I outline this, and I have just about completed my outline.

This is an area which is at present under irrigation. At present it is being farmed; but we have a situation where our water table is going down and down. There was a time when this area could be irrigated with pumping from reasonable depths. At the present time that water has to be pumped from a depth of hundreds of feet. The water table has gone down and down until today the wells that are being put down in this area are over 2,000 feet deep, and some run to 3,000 feet. We are lifting water with 300-horsepower pumps in an attempt to keep this agricultural area alive. So actually we are not putting any land under cultivation by this legislation; we are simply seeking to keep land in cultivation. I want to go back to my notes for a moment. Then if any Member has a question regarding these charts I will be glad to hear them. I want to show the State overlay for just a few moments in order to get back to the physical conditions.

We are pumping to keep 440,000 acres in this area under cultivation. We are not proposing to bring in new land. This land has been farmed for a great many years.

The situation then is this: It costs about \$75,000 to put down a deep well. This means that the small operator is precluded from operating in this area until such time as we can get a surface supply of water which will permit him to move in and farm his own land, whether it be 160 acres, 320 acres, or whatever it may be. The present cost is from \$60,000 to \$100,000 to construct and sink a well. This, as I said, requires a large operator to carry on such an operation, and the small farmer is of necessity forced to lease his land or rent his land to larger operators.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. JONAS. What is the average cotton yield per acre?

Mr. SISK. The average cotton yield per acre in this area would run about 3 bales. That has been the average yield. It would run from 2½ to 4 bales to the acre.

Mr. JONAS. Do you estimate that the cotton land will increase through additional irrigation?

Mr. SISK. No; I do not anticipate any increase in yield. In fact, all of our figures show that acreage would substantially decrease. I am not saying that the amount of cotton per acre will decrease. I would not anticipate any basic change in production per acre on this project,

because at the present time it is irrigated; and it, of course, would continue to be irrigated.

Mr. JONAS. Mr. Chairman, will the gentleman yield further?

Mr. SISK. Yes; I shall be pleased to yield.

Mr. JONAS. According to the committee report, page 6, 132,000 of the 400,000 acres are devoted to cotton; and the statement is made that there will be no reduction in cotton acreage. Is that correct?

Mr. SISK. No, that is not correct. It is not correct that the report says specifically there will be no reduction. Let me get a copy of the report.

Here is the situation that exists as far as cotton acreage is concerned: The deep well pumps are bringing up so much boron in the water at the present time that the trees have become sterile in this area, the trees and the vines. This is in a semitropical area. The east side of my district is practically all devoted to vineyards, fruits, and vegetables. The boron in the water has brought about a condition in this area where the trees are sterile and will not produce. Therefore we are completely forced to row crops, cotton, and grain. That is about the only thing we can depend on in the area. However, if we are able to get a supply of surface water we will be able once again to go to the development of vineyards, groves of nuts, groves of figs, and other things that can be supported in this area with fresh surface water.

Very frankly, there is a great deal more profit in growing this kind of commodities and we do not have surplus problems.

Mr. JONAS. May I quote this sentence appearing in the third line of page 6 of the report:

While there probably will be little change in the cotton acreage, it is expected that the acreage in irrigated grain will be drastically reduced.

It was on the basis of that sentence that I asked the gentleman if he expected there would be any reduction in the 132,000 acres of cotton now under production in that section.

Mr. SISK. I am sure those figures are taken from the Bureau of Reclamation report. Of course, I think that the amount of cotton that will continue to be grown will depend to a large extent on the economy of the cotton industry. If prices remain high there might be continued to be produced a rather substantial quantity. On the other hand, there is no comparison between the financial results of cotton and of row crops and citrus. There is lots of citrus on the east side of my district, as well as other commodities that produce high returns and would be a great deal more enhancing financially. Certainly, there is not any question in our mind but that this area will go into groves, into orchards, into vines, as rapidly as water is available, and it can be made to pay financially. For example, I might state that the Boston Land Co. a number of years ago went into this area and sunk about \$3 million in an attempt to create orchards. They had some big, beautiful trees but absolutely no fruit, since this

boron situation existed, and it is my understanding they lost some \$4 million or \$5 million.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California.

Mr. GUBSER. I would like to fortify the gentleman's point by bringing out the fact that there is a definite tendency for sugar-beet production to move into the San Luis service area. One of the great limitations on sugar-beet production happens to be water quality. With improved water quality that would come from surface distribution I think it would be safe to predict that thousands of acres of sugar beets would be planted to replace acreage which is currently devoted to cotton.

Mr. SISK. There is no question but that if we can get this water in here and we get a quota on sugar beets, we would be growing sugar beets, because this is a very fine sugar-beet producing area. What is going to happen on the domestic sugar deal, I do not know.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. As I understand it now, there is no limitation at the present time of any kind as to the crops that can be grown on these acres, is that true?

Mr. SISK. As to the kind of crop?

Mr. SMITH of Iowa. Yes.

Mr. SISK. No. If we had a good supply of the right kind of water, that is, a water free of minerals, we can grow any kind of fruits, vegetables and nuts known to man in this area.

Mr. SMITH of Iowa. At the present time basic commodities can be raised on those acres?

Mr. SISK. At the present time basic commodities can be grown. The one basic commodity, cotton, is being grown in this area.

Mr. SMITH of Iowa. In the Senate bill there is an amendment that restricts the growing of additional crops on these acres if water is put into this area?

Mr. SISK. That is correct.

Mr. SMITH of Iowa. If that amendment were adopted in this bill we would be extending the conservation reserve to new acres, that is, to 500,000 fertile acres?

Mr. SISK. I think the gentleman well states that. I know, of course, that an amendment is going to be offered to put this section which he refers to in the Senate bill into the House bill. I expect to agree to accept that amendment as far as I am personally concerned. I would not anticipate any particular objection to it.

I might briefly read that amendment:

(b) No water provided by the Federal San Luis unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any

amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

Mr. SMITH of Iowa. And with the adoption of that amendment we would then be reducing by 500,000 acres the acreage in the United States that can be used for growing these surplus crops; is that correct?

Mr. SISK. That is correct in ultimate result. It would prohibit new cotton acreage and would make possible the growing of nonsurplus crops on land now growing cotton. I appreciate the gentleman's comment.

I would like to quickly proceed to the overlay showing the connection between the State and the Federal projects.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California.

Mr. COHELAN. I wonder if the gentleman would enlighten me as to whether all of the works depicted on this basic map are Federal works and subject to the 160-acre limitation in the reclamation law.

Mr. SISK. All the works depicted in green, and also the cross-hatched, are Federal projects and are subject to the 160-acre limitation.

Mr. COHELAN. Would it be fair to say that under the actual situation in the State of California as far as reclamation projects are concerned they are pretty much entirely Federal?

Mr. SISK. No; I would not say that, either. I could cite to the gentleman many, many projects all through this area: the Merced works in here, the Don Pedro Dam, Modesto Irrigation District, Fresno Irrigation District, all publicly owned and operated districts in the State that are not Federal. The fact of the business is that percentagewise you have a great portion of your acreage under either public water or public irrigation districts that are not under Federal reclamation.

Mr. COHELAN. Would the gentleman be willing to give me a figure of what percentage of the total it would be so that we can get a comparison between the Federal facilities and the other agencies?

Mr. SISK. I can get that figure. I do not have it at hand now. I would say that the Federal facilities would be less than 50 percent of the total.

This is an overlay indicating the proposed State project in California, a project which has been authorized by the legislature of the State of California. They passed a bond issue which will be on the ballot this year for \$1.75 billion for a State project. They have already spent about \$172 million on this. They have a substantial appropriation that they are working on at the present time. This is the portion in red, starting with the Oroville Dam, and over here North Bay and South Bay aqueducts.

I want to quickly point out, because I am running out of time, how their project fit into the Federal project and how they enhance each other and reduce the cost to both agencies. This San Luis site happens to be the only substantial reservoir site on the west side of the San Joaquin Valley. The State proposes to bring water from the delta area, take it down through the valley, take it over the mountains and into the Los Angeles-San Diego-San Bernardino area. They need storage for water en route, and therefore they need this storage here in this area, since this is the only real good site. They need approximately 1 million acre-feet of storage. The Federal project, which has been on the drawing boards for the last 20 years and which we are discussing today, the San Luis project, needs approximately 1 million acre-feet of storage to take care of this San Luis area in here. Therefore, by joining together and using the same site but simply building a dam a little bit higher, we are able to reduce the cost both to the Federal Government and to the State and at the same time tie the two projects together at this point. I want to make it completely clear that outside of this point, the State will have its own canal system, its own pumping plants, just as the Federal Government already has in the existing canal to get this water into the Federal San Luis area. The State will not serve water in the Federal area and the Federal Government will not serve water in the State area. They are completely separate and apart. So, for all practical purposes, they are two entirely separate projects except that they are using a common site or, as if they were operating two entirely separate businesses out of the same building.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. GUBSER. I think the gentleman should state that the area upon which this reservoir will be situated is currently owned by the State of California; is that correct?

Mr. SISK. That is correct. And this, of course, goes to the point that our colleague, the distinguished chairman of the Rules Committee, mentioned awhile ago with reference to the commitments of the State to go through with it; the State of California has already proceeded to purchase lands on this reservoir site. I do not think they are all acquired, most of the site has already been acquired and is now in the hands of the State.

Mr. Chairman, this piece of legislation in essence authorizes the Secretary of the Interior to enter into an agreement with the State of California for a joint-use development which will reduce the cost of the Federal project by about \$55 million; and at the same time will do the job that is needed to be done in this area where water is so desperately needed. At the same time it will help the State to construct and operate its own project in the transportation of water from the water surplus areas of the north to the water-deficient areas of the south.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. BOW. I do not know whether I have clearly in mind the gentleman's thought, but there is an item that I should like to inquire about from the appropriations standpoint. On page 12, in section 8, there is the figure of \$290,430,000. Then I find on line 19 on the same page the language—

There are also authorized to be appropriated in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests—

Can the gentleman advise us or give us any idea as to what that open-end authorization would amount to? We have \$290 million and here is an authorization for appropriation without any limiting amount set out.

Mr. SISK. I appreciate the question the gentleman asks and I certainly want to be truthful in answering it. This is the identical language, so far as I know, used in every reclamation project. This is to provide that if the people in the area—in the Westlands Water District, or in other districts—if they desire, they may contract in separate contracts for funds to construct the irrigation distribution system to carry water to individual farms, or they can do it through their own facilities, or they can do it through some other method. There are a number of ways. Many of these irrigation districts handle their own financing in other ways. But this provides that if the irrigation districts desire and if an equitable agreement can be worked out between the Bureau of Reclamation and the irrigation districts, the money can be borrowed to construct their irrigation facilities.

Mr. BOW. If the gentleman will yield further, I note on page 6 of the report the statement that—

The distribution and drainage systems which, as previously stated, could be constructed by the Federal Government or by the water users are estimated to cost \$192,650,000.

So that what we are in effect doing here is authorizing \$290,430,000, plus the \$192,650,000; and I note further that there is an open end appropriation for operation and maintenance costs. So operation and maintenance also could be included in addition to the \$290,430,000 and the \$192,650,000.

Mr. SISK. Any contract which the Bureau would enter into would require the payment of O. & M. costs year-by-year by the district, so that does not become a call upon the Federal Government for O. & M.

As I said, the proposed irrigation distribution system would serve approximately 440,000 acres, and this runs in the neighborhood of \$200 million, \$192 million, whatever figure the gentleman used. In these reclamation projects we use this language here which would permit a district if it desires to build a system through the Federal Government.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOSMER. Mr. Chairman, I yield 3 additional minutes to the gentleman from California.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from North Carolina.

Mr. JONAS. Will the gentleman from California tell the committee, will the Government recover any interest on these advancements?

Mr. SISK. The only interest that will be paid on these funds will be for municipal water deliveries. In this area there are several small towns. There is one fair-sized city, the city of Coalinga, which recently was paying about \$2,150 per acre-foot for its drinking water. They have a deplorable water situation. This project provides for a water system for the city of Coalinga. Of course, interest will be paid on their portion; other than that it is for irrigation purposes only. This is a regular project fitting into the reclamation law, which provides for these projects to be paid for without interest. It will be only municipal water on which there will be interest paid.

Mr. Chairman, I am very happy to have an opportunity to answer as best I can any questions Members may have on this project. In the time I have left I want to refer to this other map. When I spent so much time on this one, I never got to this. This is identically the same project, but blown up in that specific area which is to be served by the San Luis project. It does not show the extreme north end of the State as this map does. It shows the way the State project would fit into the Federal project.

I want to add one thing in summation, that this overall San Luis State and Federal project is approximately a \$500-million project, with a total cost to the Federal Government, provided this agreement can be arrived at which is authorized by this legislation, of about \$234 million, and with the cost to the State about \$266 million, for this part of the State's project.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from California.

Mr. COHELAN. Is the project as to San Luis more Federal or more State? I am not clear on the hybrid character of it. It seems to me this is a very important point, because whether or not it is more Federal than State or more State than Federal has a great deal to do with whether the reclamation law applies. Will the gentleman comment on that?

Mr. SISK. The reclamation law will apply 100 percent to the entire Federal area. There is no State water to be delivered in this area at all. The only thing the State does is that through its own canals it brings water down here, puts it into a reservoir which they have paid cash for, their portion of it, then out through their own State canals down into the southern end of the San Joaquin Valley, Kern County, and over the Tehachapis into Los Angeles County. The State of California will deliver the waters for State purposes into this area.

Mr. COHELAN. Is it not true they are using Federal facilities to deliver the water?

Mr. SISK. No; they are not.

Mr. COHELAN. What is that, then?

Mr. SISK. Does the gentleman see the green canal?

Mr. COHELAN. Yes.

Mr. SISK. That is existing Federal facilities; that is, the facilities in which the Federal water will flow down here and go through Federal pumps, out to Federal facilities. And the water will go out through a Federal canal into a Federal service area. The State of California, separate and apart from the Federal Government, through its own pumps will pump water into its own canal and bring that water down to this reservoir, the construction costs of which they share in and pay their full share in cash before it is used. Then from there, in their own canals again, they will bring the water on down into the southern San Joaquin and Los Angeles area. This is completely and totally through a State project.

Mr. COHELAN. But they could not do that without the Federal-supported facility; is that correct?

Mr. SISK. I do not see any particular dependence in that respect. The only thing I want to say to my colleague here is, if we had two reservoir sites—if we had one here and another one here—then the Federal Government could build it in one place and the State could move over and build it in another place, but the thing is that the cost would probably run \$50 million to \$100 million more if that were done. But neither is dependent upon the other.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio [Mr. KIRWAN].

(Mr. KIRWAN asked and was given permission to revise and extend his remarks.)

Mr. KIRWAN. Mr. Chairman, I happen to be chairman of the Committee on Appropriations that appropriates for these projects that are reported out by the Committee on Interior and Insular Affairs. I want to congratulate them for reporting out a piece of legislation such as this. It has been my privilege during the time that I have been a Member of the House of Representatives to visit every major project in the United States, starting with the Grand Coulee Dam when it was first being built and then the Hoover Dam and all the rest of them, right on down to the present day. I have seen them all. I have gone over that land, as I did years ago, when the land around Grand Coulee Dam was dry, when the dust from an automobile would be flying up through the air for miles. I remember when I was a youngster working in California, trying to take water down to the city of Los Angeles. That was back in 1910. And that was not water for industrial purposes, but just for drinking purposes. There was just a little village there, and the house that I used to board in had a picket fence around it. That was in downtown Los

Angeles. Just think of what Hoover Dam has done for Los Angeles and all the southern counties in the southern part of California. Millions of people left the East and went out there. I have been over those projects. I went there 6 or 7 years ago and I tell you, when I look at the value those dams have given to America, it is amazing. This is the kind of project that builds America and gives a return to the Government and to the people. There may not be much interest in it in dollars and cents, but that interest comes back 100-fold—yes, many, many times to benefit America.

I have stated many times on the floor of the Congress that any dollar that is invested in a sound investment in America, and I am speaking now of Federal investments in such projects as this, will come back 100-fold. When you see all the land out there that this is going to irrigate, you will realize the difference that it is going to make. The difference is the difference between human slaves trying to raise something on the land as it is today, and sitting back and putting the water down to irrigate the land. That is the big difference. You will be stopping Americans from slaving out there. You will be putting the water in that section of the country to work—water that is now being wasted and going down to the Pacific Ocean. That is the difference. Think of the benefits that will come back to every one of us. The head of the Reclamation Department told me that there has been only one dam or one project in the United States that has failed to pay out. What a record that is. That is the best record I ever heard tell of in any business. You hear people talking about big business and small business, but in this reclamation project business, only one project has failed since the day that Theodore Roosevelt, that great President, put the reclamation law into effect back in 1902. I mean that sincerely. I know the day will come when the people who will go out there, even if it is only for a visit, will see one of the greatest sights not only in all of America, but one of the greatest sights on earth where this project will irrigate 400,000 acres of land, which today is all sand and dry.

I am asking you today if you ever cast a vote for a project, cast it for this one, and tell your colleagues that this is one of the best that will ever be built in this country.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, like the gentleman from Ohio [Mr. KIRWAN], I have been a member of the committee that has appropriated for every bill that has been brought out by the Interior and Insular Affairs Committee and authorized by Congress for the past 18 years. I have been quite liberal as a conservative in voting for and supporting most similar irrigation projects as this one. I took the position long ago, after visiting all the big projects in America, in the 17 Western States, with all the dust and waste that was going on there because of the lack of water, that I would do my best to see to it that not one drop of

this precious water, called "liquid gold" would be wasted away to the sea if it could be properly and beneficially used. Of course I have had some misgivings about some of these projects. I could support this project, which I am going to, with a clearer conscience, had it not been for the fact that the Interior and Insular Affairs Committee voted last year to have the Government build the Trinity River powerplant at a cost of \$60 million of all the taxpayers money. Had the Pacific Gas & Light Co. built that powerplant, which they were ready, willing, and able to do, and to furnish power at a reasonable rate, which we all know that they do, they would have paid into the Federal Treasury in the next 50 years over \$100 million in Federal taxes from power revenues from that Trinity power plant alone. Thus over \$160 million would have been saved to the taxpayers of America. That would have gone a long way in paying for this San Luis project.

There was another thing that I did not appreciate a bit. About the last thing Secretary Chapman did before he left office was to sign a contract with the city of Sacramento which provided that they should get about three-fifths of the power from the Shasta Dam at postage stamp rates, taking that power away from the farmers and other people in the valley who had just as much claim to that cheap power as did the city of Sacramento, just to mention a couple of the things that are distasteful to me and many others in this big program.

It is things like that that we members of the Appropriations Committee must take into consideration when we appropriate these vast sums of money for these irrigation and multipurpose projects.

I know the San Luis project will bring great benefits to that area. I also know that over a period of years the revenues which will come into the local, State, and Federal Governments are going to be enormous, because of the increased prosperity in that area.

But, as I said before, I do not like the idea that we build powerplants with the money of American taxpayers instead of permitting private industry to build those plants wherever it is proper and feasible for that to be done and to pay great sums into the Federal Treasury from which we can appropriate to build our schools, take care of the veterans, the old people, and the thousand other things we have to do. These private utilities pay into the Federal Treasury every year over \$1 billion in Federal revenues, and in addition they pay over \$1 billion in State and local taxes annually. Let us not kick them in the teeth; let us give them the fair treatment they and all free private taxpaying industry deserve, which includes every farmer in America. The Pacific Gas & Electric Co. is one of the best, most honest, privately owned corporations in America. No one has ever accused them of overcharging their customers.

I have been all over the San Luis project; I have zigzagged back and forth the full length of the Central Valley, in the State of California, and in all the

Western States. I apologize to no one for the position I have taken and for the support I have given to those great projects which have done so much for the western people and are paying out and we must thank the American people who have loaned the money without too much complaint to develop that great desert area of the West.

Mr. HOSMER. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Chairman, I hope my colleagues will pardon my taking a moment to direct a comment to the Chairman of the Interior Committee, the gentleman from Colorado [Mr. ASPINALL]. I am the youngest member of his committee, coming here in mid-session; and I want to thank this gentleman, on the record, for the help and assistance he has given to me as he always gives full consideration and help to all members of the committee. He even helped me resist the temptation to avoid the daily sessions of the committee. Mr. Chairman, I thank you and congratulate you.

Mr. ASPINALL. Mr. Chairman, I thank the gentleman for his kind remarks.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. GUBSER].

(Mr. GUBSER asked and was given permission to revise and extend his remarks.)

Mr. GUBSER. Mr. Chairman, I rise in support of the San Luis project. I wish to commend the chairman of the committee, the gentleman from Colorado [Mr. ASPINALL] and the author of the bill, my colleague, the gentleman from California [Mr. SISK] for their fine and clear presentations on this project. Perhaps at the risk of trying to gild the lily, I shall attempt to explain it in my own manner by using a little different approach.

Let us assume for a moment that the Republican National Committee and the Democratic National Committee both wish to build new headquarters close to the Capitol here in Washington, D.C. It is estimated that each needs two floors, but there is only one available site close to the Capitol. So the Republican Committee and the Democratic Committee get together and say: "It is foolish to seek out two expensive sites; let us build a four-story building on this one lot and then two floors of it will go to the Democratic Committee and two floors to the Republican Committee and we will make our own rules about how we will use our own two floors. We will each get water from a common reservoir maintained by the city of Washington, but we will each be on a meter that measures the water consumed and we will pay for this water. However, we will use it as we see fit."

Mr. Chairman, that simile may seem farfetched, but that is exactly what the proposition is. There is only one lot or one reservoir site available, and that is the San Luis site.

We are proposing that the State of California build a capacity of 1 million acre-feet with its money and the Federal Government build its capacity of 1

million acre-feet with its money. Then we will each make our own rules and regulations about what we do with the water stored with our own money. It is not at all unlike having one barrel in which two people store water. The water in the barrel is intermingled and you cannot identify each separate atom. But water is water. If you put in 5 gallons you take out 5 gallons. It is just that simple.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from California.

Mr. COHELAN. As the gentleman knows, I strongly support this project, but I have some question about certain details that will emerge as time goes on. Title 43, United States Code, section 523, reads:

Water impounded, stored or carried in Federal reclamation facilities shall be subject to Federal reclamation law.

Would the gentleman like to comment on this code section?

Mr. GUBSER. May I point out to the gentleman that the law he reads concerns Federal reclamation facilities which are built 100 percent by the Federal Government. This is a joint facility and not built 100 percent by the Federal Government.

Mr. COHELAN. May I ask the gentleman, Does the Federal reclamation law contain any language at all excluding any part of such waters because a State shares in some part or in the construction of a Federal reclamation project?

Mr. GUBSER. The gentleman should present that question some time later to the experts on the Committee on Interior and Insular Affairs. I am quite confident that at no time has it ever been held that the law of one government must apply to a portion of a project which is built with funds of a State or local government.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from California.

Mr. HOSMER. I think the simple answer to the gentleman's question is that this is two separate projects co-existing in the same identical space.

Mr. GUBSER. The gentleman is right.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from California.

Mr. YOUNGER. The question that my colleague raises is the reason why section 7 must remain in the bill.

Mr. GUBSER. Mr. Chairman, I would like to point out one other advantage of this project which I do not think has been mentioned and probably will not be mentioned. Once the San Luis project is completed, we are not restricted to serving only the area which has been described here today as the San Luis project, because we will have an investment with which we can extend the service to other areas of California which are badly in need of water. I refer specifically to what is called the central coast area. This area includes

Santa Clara County, the sixth ranking county in the Nation as far as agricultural production is concerned. It includes San Benito County, it includes Santa Cruz County, and Monterey County—all rich agricultural areas.

This Congress has already appropriated \$220,000 to match \$220,000 of local funds to determine the feasibility of pushing a tunnel through the mountains at the back of the proposed San Luis Reservoir in order to serve this area.

Mr. Chairman, this is an area which has conserved every drop of water natural to the area by its own initiative. This is an area which, in certain parts, has taxed itself \$3.80 per \$100 of assessed valuation to conserve water. It is an area which grows apricots, prunes, row crops, berries, and various other specialty crops. This is an area which is cut off from the main source of water by a mountain range. It must have supplemental water if it is to survive. The construction of this project will bring Federal water 100 miles closer at an elevation 100 feet higher, making it feasible to extend service to this great water-deficient area.

Mr. Chairman, we in California are very grateful to this Congress because you have helped us in solving a terrific problem. We have a fabulous increase in population. We have a peculiar topographical situation where the water is at one end and the people at the other. We are grateful to you for all you have done in solving our problem and in absorbing that fabulous increase in population. We ask you once more to help us by passing this San Luis bill.

[Mr. ULLMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOSMER. Mr. Chairman, I yield myself 10 minutes.

(Mr. HOSMER asked and was given permission to revise and extend his remarks.)

Mr. HOSMER. Mr. Chairman, in 1542 Juan Rodriguez Cabrillo put into San Diego Bay, went ashore and found the San Diego River which he wanted to use to wash his beard in, but he could find no water in it. California has been having water problems ever since that time.

The people who came out to California in the early days before Federal reclamation was ever heard of got busy and built many of their own projects; and as the gentleman from California [Mr. SISK] indicated, over half of the State's farmlands are supplied by local private projects or public non-Federal projects. Then there came along the developments and increasing State population of the 20th century. San Francisco had to go all the way over to Hetch-Hetchy, which is somewhere in the vicinity of Yosemite Valley, in this portion of the State of California, all that distance, for its water. They have put a pipe across, and take it from there to San Francisco many, many miles away.

The great city of Los Angeles, had to go up in the hills to another location, many miles away, and install a vastly imaginative water project the like of which the world had never before seen.

It brought water down to supply that portion of the State's growing population and industry and turn this essentially desert property into the oasis it is today.

Further down in the State we had to augment the water supply for the coastal plain around San Diego and for the great Imperial Valley by the works along the Colorado River, Hoover Dam, Parker Dam, and so forth.

It is a magnificent tribute to the imagination of the men who conceived these projects and the ability of the men who executed them, and financed them, incidentally, that this great State exists as it does today.

I brought this different map, a molded relief map, out here because it shows the actual mountain ranges that hinder the movement of the water in this State. It illustrates why this San Luis project is needed.

In the southern part of the State the problem is chiefly the lack of water. In the far northern part of the State the problem is a superabundance of water and flooding. In the central portion of the State by San Francisco and below Sacramento, the so-called delta area, the water problem is the contamination of the water by boron and things like that. The gentleman from California [Mr. BALDWIN] is going to introduce an amendment, which I think nobody objects to, to protect the water purity in that area. He is always zealous in the protection of the interests of his constituency.

In the Santa Clara Valley area, which is ably represented by the gentleman from California [Mr. GUBSER] who spoke a moment ago, there is a water problem. Essentially what he wants is to take this same San Luis Reservoir and dig a hole in the back of it, the Pacheco Tunnel, to get some water down to his vital area, too. So you can see that all up and down the State we have problems. They are not the same problems at all. They are at variance, and their solution essentially, to some extent, involves an invasion of what the other man wants to do. That is, give and take is necessary.

In short, the problem of water in California is like a can of worms. It has been even more complicated by a recent recommendation of a master in the suit between Arizona and California that a good deal more water go to Arizona than had previously been anticipated. It is a problem that has placed upon the people of California for generations an awareness of the necessity and the will and the compelling reasons to do something about it.

The vast projects I have mentioned are only the beginning. If the State is to be able to progress and be able to live in the future, more and additional water projects are necessary.

I want to make sure this is understood: The San Luis project the gentleman from California [Mr. SISK] is talking about is a project that will irrigate some half million acres in roughly the portion of the San Joaquin Valley around Fresno. As he explains, the San Joaquin River runs north, the Sacramento River runs south; they meet in the delta area.

Other rivers come down off the hills to join them along their courses. The coastal mountains separate the valley from the coastal area. The project of which the gentleman from California [Mr. SISK] speaks is in the middle of the San Joaquin Valley. If the State itself is going to solve its water problems in a cooperative way by taking the excess water from the north and taking it south, it has to follow some route that roughly traverses the length of this San Joaquin Valley.

Now you cannot go down the middle of the valley, naturally, because the flow is in the wrong direction. You have to move it in canals along these hills here after you pump water up from the Delta area at the Tracy Pumping Station. Since the water from the north is produced in the winter, it has to be stored so that the arid south can use it in the summer. That is where the San Luis Reservoir site comes in, so far as the State of California north-to-south water plan is concerned. It is something related to, but not the project that the gentleman from California [Mr. SISK] wants to use to irrigate this half million acres. That San Luis reservoir site happens to be, according to the geographical facts of life in California, the only site where a reservoir can be built. So you see we have two different forces here wanting to use this reservoir site. We have the State of California with its north-to-south water plan and then we have the people who want this Federal San Luis project to irrigate these acres around Fresno in the San Joaquin Valley. Of course, the only sensible thing to do is to get together. Well, we tried a lot of different ways to get together. This project has many years of history behind it, and with all these various groups fighting back and forth there, it was a very, very difficult thing to get them together. In the beginning, most of the groups in California insisted that the Federal Government was not going to have anything to do with this reservoir here. The southern group said: "Gee, when you get the Bureau of Reclamation mixed up in this thing, the first thing you know some bureaucrat hidden in Washington will turn the valves and you will not get any water at all. Not only that, in the first place you have to go down to Washington and beg the Congress to give you some money for a project. We ought to do it at home, take care of it ourselves and keep the Federal Government out of this."

But, some second thoughts occurred which were: "Poor Mr. Sisk over there—if you keep the Federal Government out, altogether, he is not going to have his people taken care of. After all, it is one State and why do we not all get together on it?"

Well, the first attempt at getting together was the idea to have the State to build this project, have the Federal Government put up some of the money and work out mutual cooperation that way, to let Mr. SISK get his water from the San Luis area and have the rest of it move to Kern County and further south in an all State project. Then, the State will keep control of it and we will not have the Bureau of Reclamation back in

Washington chopping off the water. Finally, we got around to where we said, "Well, that is probably not the way to do it or to go about it. They want to do some integrating of the Federal San Luis project with this Federal Central Valley project and there are a lot of other factors that might make it better if the Federal Government did it jointly with the State." Out of that came the bill before you today.

In other words, we have one reservoir site here and two people wanting to use it. We settled and got together on building a joint reservoir. Mr. SISK's project, the San Luis project has need for about 1 million acre-feet of storage capacity and in order to handle the State north-to-south water plan, it needs roughly another 1,100,000 more acre-feet of storage capacity. So we said, let us build a dam that will store 2,100,000 acre-feet and we can both use it and we will share our costs. Now the State will pump its water in there when it can get it during the rainy season, store it, and then it will pump its water out in the dry season when it is needed. The Federal Government will take its water and pump it in there in the wet season and it will take the Federal Government water up and pump it down into Mr. SISK's project when it is needed there. Well, that is reasonable. The only thing is you cannot take every drop of water and say—this is water that the Federal people put in and this is water that the State people put in, and that you have to take that same exact drop of water out. That is foolishness. Of course, we have in the law a doctrine known as the doctrine of fungible goods.

These great grain storage places all over the Middle West are full of many people's grain. They store it in there, but they do not get the same grain out that they put in. They get a chit that says, "You have so many bushels of grain here, and when you come in you can get that same amount of that same kind of grain out, but we are not going to mark all of this grain with your name on it."

The same is true with water. As a consequence, a few moments ago I made the remark that this is essentially two separate projects, coexisting at one and the same place. Because of the unidentifiable nature of each and every molecule of water, what I say is borne out.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield.

Mr. JONAS. What does the State do with the water it is bringing down from the north?

Mr. HOSMER. It is not bringing any down now. This is a project on which the State is voting on issuing bonds at the present time.

Mr. JONAS. It is not using the canal so far?

Mr. HOSMER. No. There is a Federal canal in here already.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield.

Mr. ASPINALL. All we are trying to do at this time is to insure necessary right-of-way along the river.

Mr. HOSMER. Yes. As a matter of fact, the State has been spending several million dollars to acquire right-of-way for the San Luis Reservoir site itself. That money is being put up by the State as part of its share of the joint project. I have tried to make that clear but I see some of the Members have a rather quizzical look on their faces. Let me reiterate: These are two separate projects. There is a State project and there is a Federal project. What the bill does is to put up the money for the Federal project and authorizes the Secretary of the Interior to enter into a contract with the State of California for the joint enjoyment of this reservoir space and certain other necessary accouterments so that it can be used by both, with the costs being shared equitably by each.

This brings me down to section 7 about which we have a certain amount of argument. Generally, I am in favor of the 160-acre limitation. My heart does not bleed any time anybody criticizes it, but I think it has been a generally good thing for the country. I also recognize that where you have a State project, that is something else, and that you cannot and should not attempt to impose a Federal law on a State project that just because it is occupying the same space with the Federal project. By no stretch of the imagination is there any reason why it should, just because as independent projects, they happen to be occupying the same space for which they have both paid their separate independent amounts of money. There is no reason for it, in my mind.

I fully agree with the report of this committee, which says that section 7 is surplusage, that without it you could take a case to court and get a decision that says, "Of course, Federal reclamation law does not apply to the State project." The 160-acre limitation cannot apply to this project by any type of legal gymnastics even without section 7.

Then, why am I up here saying that I want to keep section 7 in? For this reason: This State project is going to require better than a billion dollars for just this San Luis phase including distribution systems. The entire State-wide water plan is going to require \$5 billion out of the taxpayers of the State of California before it is through. What section 7 does and why it is necessary is illustrated take for instance the argument between the gentleman from Oregon [Mr. ULLMAN], and the gentleman from California [Mr. YOUNGER]. It removes the possibility of such arguments by clean and distinct language. It assures the matter stay out of litigation which could last for 20 years. Why spell it out now and keep it out of court? While the cases are in court you cannot go out and get a bonding house to float bonds. They cannot float them while litigation is pending. In California we cannot wait 20 years for the water while this thing is in court. Section 7 makes sure to begin with it never goes to court and allows us to proceed with our vitally needed State water project. We in the State of California are only asking to be kept free of litigation so we can proceed to spend our own money on the State North-South project needed to

take care of our own people. That is all we want to do.

Another thing in reference to my people down here in Southern California: this water from San Luis has to come down a long canal and over what we call the Tehachapi Ridge. It has to go up a long way over the mountains and come down a long way to get to Los Angeles and the Long Beach area, and on down the plain to San Diego and the rest of these places. It is going to be costly to put the works in to do this.

A little south is another area in south end of the San Joaquin that also wants some of this water. That is Kern County, an area represented by the gentleman from California [Mr. HAGEN]. Those people want to take part in the water plan but they do not want any part of the 160-acre limitation; they do not want to be faced with lawsuits, do not want to have to fool around with a lot of nonsense from the Federal Government but they are willing to submit to such limitations and control as may be imposed by the State of California. In fact, Governor Brown said he was going to put some kind of acreage limitation on them. But, from Sacramento, the State capital, the place where it should be done as regards to the State's project which it pays for itself.

What about this hassle over section 7 in connection with Mr. HAGEN's people? If that is out of the bill they will do just as they have done for a hundred years, keep pumping water and just tell everybody else to go take a walk. What does that mean to my people in Los Angeles? It simply means that the size of the water conduits along the valley and over the mountains from the San Luis Reservoir to Los Angeles will need to be only half as big, but it will still cost 90 percent of what it would to build it of sufficient size also to supply Mr. HAGEN's people. Thus the cost of this water to my people would be greatly increased if the Kern County people take a walk on the project. It would cost my people almost twice as much as it would to get water in cooperation with Kern County projects. That is what these opponents of section 7 are going to do to us if they succeed in taking this section out of the bill. It is going to make it difficult, and probably impossible, to float bonds; it is going to make it more costly to get water to my people; it is going to delay unmercifully getting the water to them.

Incidentally, let me assure anybody from the agricultural States that what it is proposed to do here for my area by the State project will not bring any vast new areas into agricultural production. In practical effect, what water we used on flora would not be much more than for a few good-sized window boxes containing flowers. It is going to supply our factories with the water that is needed; it is going to go to supply the California workers' homes with the water they need; and unless we can get it down there at a not unreasonable cost, what an imposition that is going to be on 7 million American citizens who happen to live in southern California. That is the reason why we want this section

kept in the bill. Take section 7 out and it is not going to impose a 160-acre limitation on Congressman HAGEN's people. The only thing it is going to do is to cause my people to spend a lot more money to get this water, go through a lot of lawsuits to get it, and go thirsty for a long while waiting for it. Keep section 7 in the bill. That is all we are asking you to do; it is just that simple. It is direct, I think it is understandable. I am not going to try to persuade you about the merits of Mr. Sisk's agricultural phase of the project. I will merely say that this is probably one of the best reclamation projects Congress has ever had a chance to vote on. Some of you are for reclamation, some of you are against reclamation. The President would like to have this bill; the Vice President would like to have the bill; and the people of California would. And, I am speaking about the bill as now written, without deletions. It has been explained that the cost will eventually be paid back and return a good dividend to the country overall. I am not going to try to persuade you about that. All I am pleading with you to do is after we have contended with this can of worms in California, after years and years of labor and finally gone out and got all these diverse water districts and groups together on a bill they could finally agree upon after all these years, please do not louse it up here, because we have problems enough without anything like that happening.

Now I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman. First, does the gentleman think he can get this bill through the other body if he keeps in the bill this controversial section 7?

Mr. HOSMER. Let me say this, I do not think this body which is an independent part of the legislative branch of the Government, should grovel itself around to try to figure out what the other body might do. Let us face this problem when it comes up, and if there is any giving to be done I think it is about time that the giving was done on the other side of the Capitol instead of this.

Mr. ULLMAN. The gentleman said it was surplusage. It seems to me if it is surplusage it would be little to give in return for getting a bill through this House and through the other body and making sure that you have a project.

Mr. HOSMER. It is surplusage insofar as this bill is concerned, but it is not surplusage insofar as its actual, practical effect upon my part of the country is concerned and in the financing, the operation and the speed with which we can carry out our State project.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from California.

Mr. LIPSCOMB. It appears to me from reading this very excellent report by the Committee on the Interior and Insular Affairs that that committee gave this subject a great deal of thought and by their thinking about this and working on it they decided to put section 7 in the bill.

Mr. HOSMER. That is right. Lots of thought was given to the matter, years of thought, and this is the way we were finally able to come out with the people involved behind the project.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from North Dakota.

Mr. BURDICK. I may say that I rise as a friend of the project, but I, too, am concerned about section 7. Is it correct to state that the gentleman does not desire by this legislation to amend the basic reclamation law?

Mr. HOSMER. No. There is no intent, there is no desire, there is no possible way to do it. Read section 7 as the gentleman from Oregon [Mr. ULLMAN] did a little while ago. At that time I thought, in my own mind, how can this gentleman possibly have in his mind that this is any attempt to alter general reclamation law? All it says is that the State portion of the project is not going to be subject to anything but State law, and the other portions of the bill say the Federal parts of the project are going to be subject to Federal law, which is as it should be. Does the gentleman disagree with that States rights proposition?

That is a part of the traditional way we set up our Constitution.

Mr. BURDICK. One more question.

Mr. HOSMER. I have one, too, but it is not answered.

Mr. BURDICK. On page 3, lines 1 to 4, it specifically defines that this project should be under the application of the Federal reclamation law. In the report on page 15 it is stated:

Its deletion from the bill would have no substantive effect on the law applicable to the San Luis undertaking.

I submit to the gentleman that by adding section 7, rather than getting away from legal difficulties you will have conflicting legal difficulties.

Mr. HOSMER. I doubt that very much. The gentleman must not have heard my answer to the gentleman from Oregon a moment ago. I explained it fully. I was talking about legal difficulties in California with respect to floating bonds, for instance, that would result from this action to delete. If we do not settle it on the floor of Congress the State may have to take 20 years to settle it in the Supreme Court of the United States.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from California.

Mr. COHELAN. Is the gentleman aware of the fact that section 7 is probably in direct conflict right now with a recent ruling of the supreme court of California?

Mr. HOSMER. I am not aware of that, and I do not believe it is true.

Mr. COHELAN. If I might proceed, the State supreme court, I would remind the gentleman, in a decision dated April 29 of this year, stated that the 160-acre limitation is in fact State policy as well as Federal law by action of the

State legislature. It goes on to point out:

The Federal Congress by the passage of section 5 of the Reclamation Act has determined, lawfully, that the 160-acre limitation is a basic part of Federal policy. The State legislature has adopted this concept as State policy by specifically authorizing irrigation projects to enter into contracts for project waters that contain the 160-acre limitation.

That is water code—section 23195—53 AC 718.

Mr. HOSMER. That is dandy, because the gentleman has just made my point for me. Since he is interested in the 160-acre limitation, and since the State has accomplished it on State projects already, why does he not just quietly say nothing about taking section 7 out, and rely on the State law and the State supreme court decision, which he has just referred to? Everything is taken care of, and I thank the gentleman.

Mr. SMITH of California. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from California.

Mr. SMITH of California. I would like to commend the gentleman from California for the tremendous amount of time and effort he has devoted to this project over the years and on the very fine statement he has made here today. May I take this opportunity to associate myself with the gentleman's remarks.

Mr. HOSMER. I thank the gentleman. For the purpose of the legislative record and history I have obtained permission to include here the following portions of the committee report which deal with applicability of Federal law to the Federal project and section 7 to the State project:

OPERATION UNDER FEDERAL RECLAMATION LAW

Judged in accordance with Federal reclamation law, about 325,000 acres of the 480,000 acres in the Federal San Luis service area—that is, the area within the Westlands, Panoche and San Luis Water Districts—are in large ownerships that will have to be divided into smaller ownerships. The owners of these large holdings are fully aware of the requirements of the antispeculation and excess land provisions of reclamation law, and the committee was advised that, with the exception of the Southern Pacific Co., they are willing to sign recordable contracts, in compliance with reclamation law, agreeing to dispose of their excess acreage. The Panoche and San Luis districts have already signed contracts with the Department calling for compliance with the excess land provisions. The Southern Pacific Co. owns about 58,000 acres within the San Luis service area as defined above, all of which is in the Westlands Water District. A representative of the Southern Pacific Co., appearing before the committee, stated that the company was not interested in selling its lands. At the same time, he stated that in the event of operation of the San Luis project under reclamation law the company would be willing to sit down with the district and the Bureau of Reclamation and explore the possibilities of obtaining water for company lands. The committee understands that the feasibility of the project does not depend upon furnishing water to the Southern Pacific Co. lands, and that the Westlands district will take all the water it can get regardless of whether it serves the company lands. If the company lands are not served, it would enable the district to pump less from underground. The district has the power to tax the com-

pany lands even if they take no project water.

The committee certainly recognizes the problems raised by the land ownership situation in the San Luis service area. During the committee's consideration of this legislation, concern was expressed by many individuals and groups lest the large landowners in the San Luis service area might, in some way, be exempt from the land limitation provisions of the Federal reclamation laws. For instance, the committee received this expression from the California Labor Federation:

"This language of the San Luis bills opens the door to unjust enrichment, to monopoly of water resources, and to subsidized giantism in agriculture. * * * We hope that the Congress of the United States will not breach long-established national policy."

The committee gave careful consideration to all the views and comments it received along this line and amended the bill in several respects.

The committee wants to make it unmistakably clear that the legislation it is hereby reporting requires the operation of the Federal San Luis unit under Federal reclamation law, including the excess land provisions thereof, and that there is no way the large landowners in the Federal San Luis service area can avoid compliance with such provisions.

Section 1 of the bill provides that, "In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by Federal reclamation laws (act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto)." An additional phrase—"except so far as the provisions thereof are inconsistent with this act"—which was formerly appended to this sentence was deleted by the committee. While this phrase obviously related only to provisions set out in the bill and could not be interpreted as exempting the project from other unmentioned provisions of reclamation law, the committee nevertheless removed it in order to allay the fears of those objecting to it and on the basis that the provisions in the bill will speak for themselves and that such deletion will do no harm. The following colloquy illustrates the careful consideration the committee gave to this particular matter, including its consideration of a substitute phrase reading "except as otherwise provided in this act":

"Mr. ROGERS. For a question of counsel: What is referred to by the language 'except as otherwise provided in that act'? In other words, what does the 'otherwise' mean?"

"Mr. WITMER. As you will recall, Mr. Chairman, during the hearing substantially the same question was asked of witness after witness. Each one had in mind those things which were particularly pertinent to him * * *. None of the witnesses covered the field fully, however. It seems to me that 'except as herein otherwise provided in this act' covers virtually everything in the bill that follows those words."

"Now, let me illustrate, if I may, sir. If this were authorized in the usual manner to be constructed, operated, and maintained under the Federal reclamation laws, the Secretary could forthwith send up a request for appropriations and, having gotten the appropriations, begin to construct. But the bill, immediately following the words you are considering, lays conditions on such construction."

"One condition: The Secretary has to negotiate with the State. Another condition: Until January 1, 1962, arrives, he cannot proceed without an agreement. Another condition: He must have made some arrangement for drainage works. Another condition: He must specifically have gotten necessary water rights to carry out the purposes of the project. And so on throughout the bill."

"In other words, it seems to me that every provision of the bill from there on is an exception to the general authorization which precedes. If you wanted to go into it more specifically, you could mention, as one of the witnesses did, the authorization for recreation facilities, which are not provided for in general reclamation law. You could mention, as the chairman of the full committee has just mentioned, the provision for joint operation and joint control with the State. If you wanted to be still more specific, you could mention the provision which authorizes the Secretary to turn over the operation and maintenance of the project to the State, for which there is no provision in general reclamation law. And so on."

"Mr. ROGERS. In that particular situation, is it your opinion that the authority of the Secretary to turn over joint use facilities to the State for operation would open the door for exempting the project from the application of the 160-acre limitation?"

"Mr. WITMER. My answer, sir, to that is a clear and unequivocal 'No.'"

"Mr. ULLMAN. May I ask just one additional question: What is your interpretation of the effect of the amendment offered by the gentleman from California [to strike the language 'except so far as the provisions thereof are inconsistent with this Act'] as against that offered by the gentleman from Colorado [to substitute 'except as otherwise provided in this Act'], for instance, in connection with the operation of the dam? Would the language in the two instances make any difference?"

"Mr. WITMER. I think the language will make no difference. The effect of the language will be no different. In other words, may I put it this way, I think the exceptions will speak for themselves as being exceptions."

To avoid any possible misinterpretation on the matter of operation of the Federal San Luis unit service area under Federal reclamation law and in order that there could be no question as to the committee's position that the State should not be allowed to serve lands within the Federal service area the committee adopted several clarifying amendments. It amended section 3(h) of the bill to read as follows:

"(h) notwithstanding transfer of the care, operation and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939, and amendments thereto, for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue [to be subject to the same limitations and obligations and] to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1), in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer."

Attention is called to the language in black brackets added by the committee.

The committee also (1) added language in section 2 which provides that the additional capacity in the joint-use facilities for State use shall be limited to service outside of the Federal San Luis unit service area and (2) added a subsection to section 3 stating that the State shall not serve any lands in the Federal San Luis service area except as required in connection with its acceptance of the care, operation, and maintenance of the joint-use facilities. In this connection, it is quite clear that if the State takes over the operation and maintenance of the joint-use facilities it will be acting as an agent of the Federal Government under reclamation

law, so far as its service to the Federal San Luis service area is concerned. The situation would be no different from that in the many instances in which irrigation districts take over the operation and maintenance of the works serving such districts. The districts are still bound by all the provisions of Federal reclamation law. A portion of the committee's discussion on this particular matter follows:

"Mr. ROGERS. * * * Your answer would indicate, Mr. Witmer, that in the event the Secretary did, under the authority of this act, turn over the operation and maintenance of this project to the State authority, the State authority would then be bound by the 160-acre limitation?"

"Mr. WITMER. The State authority would in my judgment, be operating in effect as an agent of the United States, under the laws of the United States. And there would be no waiver of any provisions.

"Mr. ROGERS. And as this bill is written, there is no place in it, in your opinion, where the Secretary himself, if he continued to operate it, would have the power or the authority to waive the 160-acre limitation?"

"Mr. WITMER. No, sir.

"Mr. ULLMAN. I would like to ask counsel a question.

"I am rather intrigued by this last statement of yours—that the State of California would be acting as an agent of the Federal Government under the reclamation law. Is that correct?"

"Mr. WITMER. In effect, yes.

"Let me give you an analogy. The general reclamation laws provide for turning over operation and maintenance of projects to irrigation districts. That is done every year. In fact, Congress encourages their being taken over. But the districts are still operating for the United States. They are still subject to the control of the United States and the Secretary of the Interior. They are still bound by the excess land laws, by the requirement that water be not delivered if there is nonpayment, etc. You can run down the whole list of requirements. What you are doing is substituting the districts for the Secretary in the operation only. In the case of San Luis it would be the State substituting for the Secretary instead of an irrigation district."

RECLAMATION LAW NOT APPLICABLE TO STATE SERVICE AREAS

Section 7 of the bill provides that the Federal reclamation laws shall not be applicable to areas served by the State of California. Objection was raised in committee to this provision on the ground that it will "exempt" the State-served lands from the acreage limitation provisions of the Federal laws. In accepting section 7, a majority of the committee points out that there is nothing in the reclamation laws which, in the absence of a provision in the bill affirmatively making the land-limitation provisions applicable in the State-served area, would forbid the State from serving whatever lands it chooses on whatever terms it chooses. In other words, mere deletion of section 7 would not accomplish the purpose of those who advocate requiring owners of the State-served lands to observe the limitations which are imposed on those served by the Federal Government. It is, furthermore, the view of the majority that there is no justification for writing an affirmative provision into the bill which would require such observance. Its reasons for this conclusion are these:

(1) It is only by chance that there is any connection between the Federal and State projects. That connection arises from the physical fact that there is one and only one adequate reservoir site in the area and that both the Federal and State Governments need to use this site. If two sites existed,

each government would be free to use one of them on its own terms, and the excess lands question as applied to State-served lands would not even have arisen.

Speaking, during committee debate, to the matter of applying Federal law to the State's service area, Mr. HOSMER one of the authors of the legislation, clarified the matter this way:

"So, I ask you gentleman to realize that this particular project we are talking about which the Federal Government would build and the project the State wants to build, are two separate and entirely different projects.

"Of necessity they must occupy the same particular space. But just because in an office building there are several law firms and one of the law firms is representing the plaintiff in a case and another law firm is representing the defendant does not mean they have a conflict of interest because they are operating out of the same building. They are separate enterprises and this is exactly what is occurring here."

(2) The water supply for the State's project will be derived from sources independent of the Federal project's water supply and, except for the joint works, will be handled through an entirely different system of reservoirs, canals, and other works. The Federal impoundment and transportation systems in the Central Valley will, with the construction of the Federal San Luis project, be fully utilized and could not, even if there were inclination to do so, be used to supply the State service area.

(3) The State will, under the terms of the bill, have paid its entire share of the cost of constructing the joint facilities prior to its utilization of them for storage and delivery of water. Even if the State were a customer of the United States—a water right applicant or an irrigation district, for instance—it would not be bound by the acreage limitation provisions under existing law in these circumstances. The committee sees no reason for treating the State, in its capacity as a partner in a joint venture rather than a customer, more onerously than it would a private citizen or an irrigation district.

(4) Insofar as there is a problem of large ownerships in the State-served area, the committee is confident that the Legislature of the State of California can and will enact legislation expressing the public policy of the State and representing the will of the majority of the people of the State. There would be no more justification for the United States, in other words, to decline to enter into this joint venture with the State unless the State makes its land-ownership policy conform to that of the United States than there would be for the State to refuse to enter into the arrangement unless the United States modified its policy to suit that of the State.

In order to make clear the present state of the law and the committee's reasons for believing that no exemption is provided by section 7, the following more complete explanation is offered.

Section 3 of the act of August 9, 1912 (37 Stat. 266, 43 U.S.C. 544) provides, in pertinent part, that "no person shall at any one time or in any manner * * * acquire, own, or hold irrigable land for which entry or water right application shall have been made under the said reclamation act of June 17, 1902, and acts supplementary thereto and amendatory thereof, before final payment in full of all installments of building and betterment charges shall have been made on account of such land in excess of one farm unit as fixed by the Secretary of the Interior as the limit of area per entry of public land or per single ownership of private land for which a water right may be purchased respectively, nor in any case in excess of one hundred and sixty acres, nor shall water be furnished under said Acts

nor a water right sold or recognized for such excess."

During the period when irrigation water contracts were entered into with individuals rather than organized districts, it is thus clear that the law forbade delivery of water to more than one farm unit held by an individual only so long as the entire construction cost allocated to the excess unit had not been fully paid. That the law was so read and applied by the Interior Department is shown in detail in the Bureau of Reclamation's printed publication entitled "Landownership Survey on Federal Reclamation Projects" (1946) and the Interior Department's two-volume document prepared for the Subcommittee on Public Works and Resources of the House Committee on Government Operations entitled "Excess Land Provisions of the Federal Reclamation Laws and the Payment of Charges" (1956).

The same rule has been held to be applicable to irrigation district contracts. Speaking of the relation between the 1912 act and the excess-land provisions of the act of May 25, 1926 (44 Stat. 649, 43 U.S.C. 423e), the Associate Solicitor of the Interior Department advised the Commissioner of Reclamation on October 22, 1947, as follows:

"The specific question is whether the release of the limitation by section 3 of the 1912 act upon 'final payment in full of all installments of building and betterment charges' on account of 'irrigable land for which entry or water-right application shall have been made' can be held to apply to the payment in full of the joint obligation assumed by an irrigation district under a contract entered into as required by section 46 of the 1926 act.

"In construing an ambiguous enactment, it is held proper to consider acts passed at prior and subsequent sessions to which the act does not refer. * * * It seems clear that the various excess-land enactments were intended by Congress to provide a uniform and comprehensive procedure for the implementation of its land-limitation policy.

"Section 46 of the 1926 act, supra, sets out the substance of the provisions required to be incorporated in joint-liability repayment contracts with irrigation districts. That section does not purport to contain all the excess-land provisions applicable to lands affected by such contracts. * * * Since joint-liability repayment contracts were not in general use when the act of August 9, 1912 was adopted, the language used in those acts was not specifically directed at situations arising under contracts of that type. Congress apparently intended that the land-limitation provisions, in effect when the act of May 15, 1922 (42 Stat. 541), the act of May 25, 1926, and other acts covering the use of irrigation district contracts were adopted, would be applicable thereto, as nearly as practicable. Otherwise, substantially different acreage restrictions might result from the discontinuance of water-right applications and the adoption of the joint-liability repayment contract procedures.

"When all construction costs due under a joint liability repayment contract have been paid in full, there is no apparent reason why the lands receiving water under such contract should not be deemed relieved of the excess-land restrictions in the same manner as paidup water right application lands. The fact that Congress did not, in connection with the various acts authorizing or requiring joint liability repayment contracts, enact complete excess-land provisions couched in language adapted to joint-liability contracts does not in itself deny a congressional intention that the principles of its excess-land policy, as previously expressed with reference to water-right applications, should apply to such contracts. The enactment of new excess-land provisions, relative to the

phases not specifically covered by the said acts, was undoubtedly deemed unnecessary because these acts became a part of the reclamation laws for all purposes and would be interpreted on that basis. The existing excess-land provisions would, therefore, become applicable.

"In the light of the foregoing, it is my view that upon full payment of construction obligation under a joint-liability repayment contract, the lands receiving water under such contract are, under the provisions contained in section 3 of the act of August 9, 1912, relieved of the statutory excess-land restrictions."

In accordance with this conclusion, a large number of repayment contracts which the Bureau of Reclamation entered into during the years 1949-54 with irrigation districts in Oregon, Idaho, Washington, California, and Montana have had written into them the following provision or its substantive equivalent:

"Pursuant to the provisions of the Federal reclamation laws, water made available hereunder shall not be delivered to more than 160 irrigable acres in the ownership of any one person * * *. The limitations stated in this subarticle shall cease to operate when the construction charge provided in this contract has been paid in full."

Many of these contracts were approved by Congress.

The present Secretary of the Interior has, in effect, announced his concurrence in this view of the law. On July 12, 1957, he said that he was unwilling to enter into a contract with the Kings River Conservation District, California, which would permit individual water users within the district to pay off their proportionate share of the construction costs to be paid by the district and thus come out, as individuals, from under the acreage limitations. But he also said—

"The Department continues to recognize and support the basic concept of reclamation law that full and final payment of the obligation of a district to the Federal Government ends the applicability of the acreage limitations."

"So long as the present acreage limitations remain in the basic reclamation law, they should be complied with, until the district has fully discharged its obligations to the Federal Government."

It is true that the provisions of the 1912 act and their relation to district obligations under the 1926 act have not been construed in any reported judicial decision, but the administrative history is such that the committee has little doubt that the payout rule could and would be properly applied in the present instance even if the State were to be thought of not as a partner but as a customer of the Federal Government. Whatever may be the merits or demerits of continuing to apply the prevailing construction of the 1912 and 1926 acts to irrigation districts in situations in which, although final payment is made only after a period of years during which they have received the benefits of interest-free Federal money and, in many cases, assistance from power revenues, it remains true that (1) the administrative practice of doing so is now so well fortified by history that it can probably be successfully attacked by no one except Congress and (2) that there is no legislation now pending before Congress, nor has any ever been introduced, which would overrule the departmental interpretation of these acts or provide other standards to guide it. The committee cannot, in this circumstance, apply to the special case of the State of California a rule which is not applicable to others.

The Warren Act (36 Stat. 925, 43 U.S.C. 523, 524) adds no substance to the claim of those who see section 7 of the bill as a breach in the Federal Government's land

limitation policy. In the first place, that act, limited as its cooperative provisions are to "irrigation districts, water users' associations, corporations, entrymen, or water users," is clearly not applicable to the Federal-State venture proposed in H.R. 7155. In the second place, the Warren Act was enacted before the act of August 9, 1912, cited above and thus, as the Associate Solicitor of the Interior Department in the opinion which has already been quoted in part said, must be regarded as qualified by the payout provisions of the later act.

The whole matter is aptly summed up in the following message from Gov. Edmund G. Brown of California to Senator ENGLE which appears in the CONGRESSIONAL RECORD for May 7, 1959 (p. 6890):

SACRAMENTO, CALIF., May 7, 1959.

Senator CLAIR ENGLE,
Senate Office Building,
Washington, D.C.:

Having seen many statements in the press regarding the application of the Federal reclamation laws to the San Luis project, I wish to reiterate what I have said in the past regarding this matter. Upon the basis of my own legal analysis and that of all my legal advisers I am convinced that the Federal reclamation laws do and will apply to all Federal facilities and service areas of the San Luis project. In addition, with or without the language contained in section 6(a) under S. 44, the Federal reclamation laws do not and, in my view, should not apply to the State facilities and State service areas of the project. I am, and I believe that the California Legislature also is, opposed to any unjust enrichment or monopolization of benefits by owners of large landholdings as a result of either Federal or State operation.

However, I feel that the handling of this matter, insofar as State activities are concerned in relation to this project or other State construction, should come as a result of State legislation. I intend, at an appropriate time and before contracts are executed, to take this matter up with the California Legislature in order to preclude the undesirable results which I have described, but I firmly believe that this matter should not delay either Federal or State authorization or construction.

EDMUND G. BROWN,
Governor.

The worst that can be said about section 7, then, is that it is surplusage. Its deletion from the bill would have no substantive effect on the law applicable to the San Luis undertaking. Only an amendment affirmatively requiring adherence to the Federal acreage limitations notwithstanding the State's full payment of its share of the construction cost of the project would accomplish that which those who seek to delete section 7 mistakenly believe would be the effect of doing so.

The committee recognizes that the inclusions of surplusage is usually undesirable in a bill, but it also recognizes that the author of a bill, particularly when he is dealing with a subject that has involved bringing together as many diverse interests and points of view in his State and district as the San Luis project involves, should be given considerable latitude in the way he expresses the position that is arrived at, more latitude than the committee might give itself if it were to start drafting a bill ab initio.

The committee concludes that section 7 of the bill in nowise changes established principles of reclamation law. It can well understand the possibility, however, that there might be difficulties in securing both statewide agreement and financing for the State project if there were doubt in anyone's mind concerning the relationship and the applicable laws under which each project would be constructed and operated. The committee

therefore concludes that inclusion of section 7 in the bill will contribute to clarity and advance construction of the projects. The inclusion of this section—to put the matter otherwise, it is not to be interpreted as indicative of a belief on the committee's part that without it the excess land provisions of the Federal reclamation laws would be applicable to the State-served lands.

It was in the light of such considerations as those that have just been set forth that the committee rejected, by rollcall votes, amendments which would, in one case, have deleted section 7 from the bill and, in the other, replaced it with language requiring the State to agree not to serve lands which would be ineligible to receive water if they were being served by the Bureau of Reclamation.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. HOSMER. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, it gives me great pleasure to rise in support of this legislation, a bill authorizing the San Luis unit of the Central Valley project in California. Coming from a reclamation State like Colorado I am always anxious to support the reclamation program. I take great pride in the fact that I have voted for all reclamation projects since I have been a Member of this House.

Mr. Chairman, I want to congratulate the distinguished chairman of the House Committee on Interior and Insular Affairs my colleague the gentleman from Colorado [Mr. ASPINALL] for the skillful manner in which he has handled this legislation. I have been a member of the House Subcommittee on Irrigation and Reclamation which has had this project under consideration for a number of years. You have just heard the gentleman from California [Mr. HOSMER], tell you something about the difficulties which this project has encountered and of the division in California on this proposal. I was happy to see the water users of California agree on this project. The gentleman from Colorado deserves great credit for the fact that he is able to bring this bill to the floor here today, with all parties in agreement I also want to commend the gentleman from California [Mr. SISK], the author of the bill, for his perseverance and diligence in sponsoring and promoting this project over the years. He has done a splendid job.

Mr. Chairman, I had the pleasure of visiting the site of this project in California as a member of the subcommittee several years ago. I saw the need for this project in that great agricultural area and why this project is necessary. I was very favorably impressed with the need for this project. While in Fresno I met some very fine residents of California, and I want to mention just one, Mr. Jack O'Neil. I think Jack O'Neil deserves a great deal of credit also for this legislation being before the House today. He has worked with great zeal and enthusiasm for this project and has made numerous trips to Washington in support of the same. So, I want to commend Mr. O'Neil and his group for their

interest in this project, because without their support I doubt if this bill would be before us today.

I have been very pleased this afternoon, Mr. Chairman, to listen to the debate on this bill. It certainly has been heartening to those of us who believe in reclamation, and who recognize that reclamation has been a great success, and that the reclamation program has made a most valuable contribution to the economy of this country. We had on the Democratic side the gentleman from Ohio [Mr. KIRWAN], who is chairman of the Subcommittee on Appropriations handling funds for all reclamation projects. Ohio is not a reclamation State. There is no reclamation in Ohio. But the gentleman from Ohio [Mr. KIRWAN] took the floor this afternoon and called attention to the fact that he has supported these projects and cited the San Luis as an outstanding project. He urged the Members of the House to support the same. All of us are grateful to Mr. KIRWAN for his interest and support. On the Republican side we had the gentleman from Iowa [Mr. JENSEN], the ranking Republican member of the House Subcommittee on Appropriations, of which Mr. KIRWAN is chairman, tell us of his support of reclamation over the years. I want to take this opportunity to thank the gentleman from Iowa [Mr. JENSEN] for the help he has given the reclamation program, and the projects I have sponsored in Colorado. His support has been most effective and helpful, and I know that I speak for many in the State of Colorado when I tell him that we are truly grateful. He has been a real friend of reclamation.

He knows what reclamation has accomplished for this country, and as long as the gentleman from Ohio [Mr. KIRWAN], and the gentleman from Iowa give reclamation projects their full support, we are in good hands. I might state that without such support there would be no reclamation projects. There are not enough of us in the western reclamation States to produce the votes on the floor of the House to pass bills of this magnitude. Here is a bill calling for over \$290 million. So, it has been our purpose to sell reclamation to the representatives from the other States who are not as familiar with the reclamation program as we are. In conclusion, Mr. Chairman, I want to mention one other matter. I refer to the speech made by the gentleman from Colorado [Mr. ASPINALL], on the floor this afternoon in support of this project, calling attention to the fact that our agricultural surpluses are not being built up by products which are produced on irrigated land. It is true that some of the basic commodities are produced on irrigated land. However, I believe he said that just a little over 1 percent of the present surplus of agricultural commodities was produced on irrigated land. I think that is something we ought to keep in mind, and to emphasize that western reclamation projects are not responsible for our present surplus.

Mr. Chairman, I hope that this bill will receive the support of the House and that it will be passed.

(Mr. CHENOWETH asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HAGEN].

(Mr. HAGEN asked and was given permission to revise and extend his remarks.)

Mr. HAGEN. Mr. Chairman, I do not appear here gratuitously. I have constituents who are interested in receiving water deliveries from the Federal San Luis project and I have more constituents who are interested in the integrity of the State Feather River project. I wish to commend everyone who has expressed an interest in these two projects. I particularly wish to commend the gentleman from Oregon [Mr. ULLMAN] and the gentleman from California [Mr. COHELAN] for opening up a discussion on the floor here today of the so-called section 7 of the bill. The gentleman from Oregon indicated that he would offer an amendment on Thursday, May 19, to strike that section. With respect to this possible amendment, I earnestly solicit your support of the viewpoint which I hereinafter express with respect to section 7. The section has been read into the Record by the gentleman from Oregon. However, certain background information is vital to an understanding of this section.

I first want to refer to the effort of California to build its own water project by a State bond issue. In 1951 the California Legislature, after extensive preliminary planning, approved a huge water project to be State financed and State operated, known as the Feather River project. The current cost of this project, or at least the features of it that were described here today, is estimated to be about \$1 $\frac{3}{4}$ billion. The money will be derived from a State bond issue to be voted upon in California this fall. To date, as I understand, the State has spent in excess of \$80 million pursuant to establishing a State Feather River project and has obligated itself, or has authorized itself to spend another \$80 million in the immediate future for the same purpose, a total of \$160 million.

Let us discuss the relationship of the Feather River project to the Federal San Luis project. Engineering studies disclosed that the State project would require the use of a dam site on San Luis Creek in Merced County for interim storage of water brought there by works to be wholly paid for by California and this same site is deemed necessary for the Federal San Luis project which you will approve or disapprove on Thursday.

What was the resolution of this conflict for a site? It was determined that both the State project and the Federal project had merit, and that the site conflict could be resolved by permitting both to build on the same damsite through the use of common structures thereon and directly appurtenant thereto to which both agencies would contribute their full share of the cost.

The common structures involved would be a main dam, a forebay and an afterbay, common pumps and a main line egress canal. The Federal Government

would be the designated construction agent, and at completion, the operating agent of the common structures which would handle the commingled waters brought there by completely independent water delivery structures.

Actually, the State financial contributions to the cost of construction and operation and maintenance of these common structures will be larger than that of the Federal Government. However, the State yielded to the Federal Government the role of construction and operating agent on the basis that its rights would be protected by a negotiated contract, the essential minimum features of which would be spelled out in a Federal authorizing statute. This brings me to the section 7 problem.

Inasmuch as the State would make the largest contribution to the cost of building and operating the common structures, which are not the whole of either the State or Federal projects, I might add, it was felt necessary to spell out the fact that the joint venture construction without subsidy to the State and the necessary operational commingling of quantities of water would not subject the wholly State financed project to the Federal reclamation law, including but not limited to the acreage limitation phase of the Federal law. Such statutory protection was deemed necessary in spite of the fact that prevailing interpretations of reclamation laws support the same proposition. The necessity arises from these facts:

First. No one can absolutely predict future court decisions.

Second. The State project hinges upon approval and sale of a State bond issue. The lack of explicit protection of the management integrity of the State project might affect the vote on the bond issue, and further, if the bond issue were successful in spite of that adverse effect, could affect the terms of sale and even the general salability of the State bonds. Bond issue lawyers and bond purchasers are notoriously cautious.

Third. The lack of such protection could block State-Federal agreement on a mutually advantageous construction operation.

Fourth. Statutory prohibitive language such as we seek in section 7 would tend to discourage essentially frivolous but costly lawsuits.

Thus section 7 was inserted in the Sisk bill by the author and approved by the House Interior Committee for entirely valid reasons.

Unfortunately, the opposition to this section has come from two sources, and I do not speak ill of them, I merely identify them. Those who feel that the Federal acreage limitation principle should be a part of all water projects and who also feel that all irrigation projects should have a large measure of public subsidy. Their position is implemented in three ways, in order of preference:

First. Securing Federal construction of all large water projects.

Second. Changing State laws to secure absolute conformity to the Federal law.

Third. In the case of the San Luis-Feather River projects, the imposition

of Federal law to State water deliveries merely by reason of an arm's length sharing of a common site and common works at that site. This violates all logic and is typical of the attitude that the end justifies the means.

The second group are those who mistakenly feel that section 7 changes the Federal reclamation law. This is not the intent nor the effect of section 7 of the Sisk bill which specifically spells out the fact that the reclamation law applies to all water deliveries financed out of Federal funds. As a matter of fact section 7 itself does this by defining specifically a single class of water deliveries to which Federal law does not apply. Some of these objectors stipulate that the current state of Federal law is identical with the safeguards of section 7, but inexplicably do not want the Congress to state the law. They would abdicate our responsibility and thrust it on some court. Other of these objectors maintain that the current state of the law would subject the State project to the Federal law under the set of facts that we are considering. They view section 7 as an attempt to change the reclamation law. They lack the courage to test their interpretation by offering an amendment spelling their interpretation out in this bill in order that a clear-cut resolution of the justice and strength of their position can be secured in the Congress.

I say let there be light on this issue since the joint features of the Federal San Luis project and the State Feather River project represent a new departure in water cooperation with indicated great savings in cost to the Federal Government. Equity demands that the legislation meet the test of clarity on the issue of whether or not the Federal law applies to a purely State-financed project merely because of a conjunction of construction and use of some features jointly paid for by both. It is my position that section 7 should be retained substantially as it stands. If it needs clarification, let the opponents offer amendments to clarify it. Those opponents of section 7 who feel the Federal law should be applied to the State Feather River project should offer amendments to make such application clear. That would be an act of good faith. Absence of such action is merely an invitation to costly and harassing lawsuits and threats to a California bond issue which in the foreseeable future will greatly reduce demands on our Federal Treasury for California water development.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from California.

Mr. GUBSER. I commend the gentleman for his statement, and would like to ask him if he would enlarge on the point he has just mentioned, that the salability of the bonds for the State water project would be endangered or certainly be placed in jeopardy by the removal of section 7.

Mr. HAGEN. These bonds are only valuable to the extent that the State can find participants in its State project. A large group of these potential partici-

pants are in my district in Kern County and they would not buy any program from the State that involved application of the Federal reclamation law. I understand the same opinion holds in Los Angeles. We must remember that there is more to the Federal reclamation law than merely the acreage limitation. I am certain the city of Los Angeles with respect to its share of the State project do not want the Bureau of Reclamation telling them how to run it.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from California.

Mr. COHELAN. Is not the gentleman overlooking the fact that the whole purpose of the project is to benefit people and not to benefit the land? I ask the gentleman if he remembers the Ivanhoe case, an identical case in which it was stated by the Supreme Court:

It is a reasonable classification to limit the amount of project water available to each individual in order that benefits may be distributed in accordance with the greatest good to the greatest number of individuals.

The limitation insures that this enormous expenditure will not go in disproportionate share to a few individuals with large land holdings.

Mr. HAGEN. May I answer in this way. I have supported the principle of acreage limitation and as a consequence some of these large landowners who are my constituents have never supported me. But it is a separate proposition to say that Federal law should apply to waters that are financed purely at the expense of the State of California and its citizens. This is an entirely separate proposition.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from California.

Mr. LIPSCOMB. I, too, want to commend the gentleman for the statement he has made. I know of the work he has done in this area and I know the gentleman does have an interest in the individual.

(Mr. LIPSCOMB asked and was given permission to revise and extend his remarks.)

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from California.

Mr. GUBSER. Does the gentleman know whether or not the State legislature in the State of California at the present time is exploring the possibility of applying the 160-acre limitation to the State portion of the project, and would the gentleman agree that if they are that that is their prerogative and, certainly, is not the prerogative of the Congress to be the all-seeing eye and to be dictating the laws of each of the several States?

Mr. HAGEN. That is absolutely right. Unless we adopt a philosophy that we are for limitation "come hell or high water," and that the end justifies the means. We legislate for a Federal project, not for the State of California, I hope.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield.

Mr. ULLMAN. Is it not true that if this is redundancy and if, as the gentleman says, this does not change the reclamation law, what is all of the concern about on the part of the landholders? The gentleman does have large landholders in his area. What is the concern about if it does not change the reclamation law?

Mr. HAGEN. First I want to commend the gentleman from Oregon for his interest in this bill. If you and I were to sit down and write a contract, we would want to cover everything that we felt we needed language on rather than relying on a body of case law which is sometimes hard to find and often ambiguous.

For example if I were leasing your barn I would want to specifically cover the contingency of fire even though perhaps the common law would cover it, but as long as we are writing a contract, why not put it in there. It avoids the possibility of some lawsuit on the basis of the absence of that clause in the contract. Similarly legislators frequently codify an accumulation of legal interpretations in the interests of clarity and avoidance of controversy.

Mr. ULLMAN. Would that not be decided by the Court?

Mr. HAGEN. We should not wait upon that. The Members of this body are not legislating for the State of California with respect to their internal management of water projects and that fact should be clearly stated.

The CHAIRMAN. The time of the gentleman from California [Mr. HAGEN] has expired.

Mr. HOSMER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Chairman, the San Luis project, which is being discussed today, is unusual in many respects. First it is unusual in that for the first time in the history of reclamation, which began 58 years ago, a State in the Nation, which is recognized as a reclamation State, has come forward and asked to participate in the project. Up until this time, every time a reclamation project has been presented, every project has been a complete Federal project. Many of these reclamation projects since 1902 have been built in areas where the Federal Government owned all of the land. That brings me to the second point that makes this an unusual project. There is only one area in this section of California where a dam can be built, which will enable not only the area which is known as the Federal area but also the area which has been called a State area, to store water from the northern part of California so that it can be used in this area, and from this area transported south to the area of Los Angeles, through the Tehachapi Mountains to the west coast, and used in the towns in that area of California.

If the State of California, as a result of a bond issue which will be voted upon by the people of that State in this fall's election decide to go ahead, then we find ourselves in the situation that the Federal Government will have absolutely no place to store water and supply much needed water to a Federal area that is entitled by every standard that has been laid down by the Congress since 1902, to have water supplied in a reclamation district.

I want you to notice section 2 of this bill which is unusual, because it contains the provisions directing the Secretary of the Interior to carry out the negotiations with the State of California that are necessary before we can proceed with the building of the San Luis project. Section 2 states:

The Secretary—

Meaning the Secretary of the Interior—

is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956. Said agreement shall recite that the liability of the United States thereunder is contingent upon the availability of appropriations to carry out its obligations under the same.

And, mark this well, because if this bill is passed, this is not the last time you will review the San Luis project, because once the agreement is entered into section 2 further provides:

No funds shall be appropriated to commence construction of the San Luis unit under any such agreement, except for the preparation of designs and specifications and other preliminary work, prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after it has been submitted to the Congress, and then only if neither the House nor the Senate Interior and Insular Affairs Committee has disapproved it by committee resolution within said ninety days.

So, if this bill is passed and an agreeable contract is entered into between the Federal Government and the State of California, then it must be brought back to the House Interior and Insular Affairs Committee and the Senate Interior and Insular Affairs Committee for their approval before the Appropriations Committee can authorize any money under this bill.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to my chairman.

Mr. ASPINALL. I want to commend my colleague for bringing this provision to the attention of the Committee. This is an important provision, and as usual, my colleague from Pennsylvania always has a keen insight into important provisions of legislation. I thank him again for bringing this provision to the attention of the Committee.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. GUBSER. I wish the gentleman would correct me if I am wrong in this statement: Is it not true that the gentleman from Pennsylvania now in the well of the House offered an amendment in the committee which stated that Federal reclamation law should apply to the State portion of the project?

Mr. SAYLOR. I did.

Mr. GUBSER. And is it not true that the amendment was rejected by the committee?

Mr. SAYLOR. That is correct.

Mr. GUBSER. And is it not true that apparently the Committee on Interior and Insular Affairs decided that the reclamation law shall not apply to the State portion of the project based upon that vote?

Mr. SAYLOR. Based upon the vote, at least the 160-acre provision should not apply.

To come to the conclusion which the gentleman has done from my one amendment that was defeated I do not see is a justifiable deduction.

Mr. GUBSER. Was I incorrect and should I revise my statement to the extent that the gentleman tried to insert an amendment which would make the 160-acre limitation apply?

Mr. SAYLOR. That is correct. That I did.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Colorado.

Mr. ASPINALL. And in addition, the feeling of the majority of the committee was to the effect that Federal law should not be applied to State projects?

Mr. SAYLOR. That is correct.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. HAGEN. I have admired the gentleman from Pennsylvania for some time for his knowledge of reclamation law and reclamation projects. I would like to ask the gentleman, is not the worst possible position that could be assumed on this issue a mere striking of section 7? Is it not much more preferable to have the present section in the bill or the section which the gentleman offered in committee?

Mr. SAYLOR. That is a matter of opinion. I would have liked to have seen my amendment in the bill or I would not have offered it.

Mr. Chairman, I have had a number of questions asked me by colleagues on both sides of the aisle as to why I support this project, why I support this project at a time when the amount of money involved is so much and, according to some people, there has not been shown a need for any project, let alone another huge one in California.

Let me give you some good reasons why this bill should be enacted and why this project should be approved.

This is a true reclamation project. Ninety-eight percent of the cost of this project goes to irrigation, and is reimbursable which was the basic purpose of

the original act of 1902. No bill covering any reclamation project in the 6 terms I have been a Member of Congress has had such a high proportion of its cost go into the reclamation of land. In view of the fact that some of this land which would be irrigated by the project is already under irrigation, I was interested in finding out what would be the effect of placing this new irrigation water upon this land, supplementing the pumping that is going on in that area.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOSMER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SAYLOR. Mr. Chairman, every witness who appeared, both from the Department and from the area, testified that the sweet water that comes down from the northern part of California and which will be stored in this dam will if allowed to flow onto the land to be irrigated, instead of raising many of the crops which are now in surplus, it will be possible in this area to convert this territory into a place where it will grow crops and foodstuffs which are in short supply. This I think this alone will be a tremendous benefit not only to the State of California but it will be a tremendous benefit to the United States.

Another important feature of what this bill actually does, is extend to the south side of the Central Valley the same benefits which Congress in its wisdom extended to the east side of the Central Valley of California, and to enable the people who live in the south side of the Central Valley area to receive the same benefits that the people who live on the east side of the valley have already received.

The land in this area is just as good and will produce the same kind of crops that are being produced over on the east side of the valley.

It is also interesting to note that the cost-benefit ratio in this project is unusually high. Most of the projects which the Bureau of Reclamation has brought to us in recent years have averaged less than 1.5 to 1.

This project has a better than 2½ to 1 benefit cost ratio. That is one of the highest ratios that this Congress has had presented to it in the last 12 years.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the majority leader.

Mr. McCORMACK. One of the great challenges, as I see it, confronting our people in the years that lie ahead is the availability of water for drinking and sanitation purposes. Does the gentleman agree that that opinion of mine has substance?

Mr. SAYLOR. It certainly does.

Mr. McCORMACK. I think we have a great challenge within the immediate years ahead; is that not right?

Mr. SAYLOR. That is right. And, I might say to the majority leader that the water problem that confronts the American people is confined not just to the western reclamation States, but it also affects his State and mine here in the East. It is a national problem.

Mr. McCORMACK. Everywhere; it is a national problem. And, I understand, in addition to the other benefits that will flow from this project, that it also covers the field of water available to the communities out there, towns, cities, and so forth, in connection with their future water demands, from the angle of drinking and sanitation and so forth.

Mr. SAYLOR. That is correct. It will make available to the southern part of the State a great supply of fresh water which is now running to waste in the San Francisco Bay.

One of the important things about this bill is that after all of the controversy that has existed over the years, the State and all of the parties to it have gotten together and agreed unanimously upon this bill with the exception of section 7. That is a matter on which the House will have to work its will when the bill is read for amendment under the 5-minute rule.

There is another provision in the bill that I would like to call attention to, and that deals with section 8. Section 8 places a limitation upon the amount of money that can be expended for this project. This follows the policy which the House Committee on Interior and Insular Affairs insisted be placed in each reclamation bill which comes out of that committee. It does, however, have one sentence in it which I am going to offer an amendment to delete, when we get to that stage, and that appears on page 12, lines 19 to 23, which is an open end appropriation for the construction of distribution systems and drains and for operation and maintenance. It is my belief that these features of the bill should be included in a closed contract just as the others are.

Mr. Chairman, I might say that after all of these nice things I have had to say about the project, some may wonder if there is not something that you can complain about. And, I would like to point out to my friends from California that while this is a good project and it is going to cost a lot of money, the Congress has given away or has placed itself in such a position that the Federal Government and the people in that area will have to pay for it completely out of their own pockets. If the committee would have accepted some years ago a provision which would have sold falling water from the Trinity project, which is also a part of the Central Valley, to one of the private utilities that made an offer for it, from that income alone there would have been more than sufficient funds to pay for this project. That was not the will of the members of the committee, and so this is one of the things that Congress will have to face up to in this bill.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of California. Mr. Chairman, as a cosponsor of the legislation now before us, I would like to rise in support of H.R. 7155. First of all, however, I would like to commend my

colleague from Colorado, Mr. WAYNE ASPINALL, chairman of the Committee on Interior and Insular Affairs, and my colleague from Texas, Mr. WALTER ROGERS, chairman of the Subcommittee on Irrigation and Reclamation, which considered the bill.

The committee examined this bill extensively. It studied the project in the record and on the ground and came up with a sound recommendation for the San Luis project. The wonderful work of the committee members did much toward resolving the many problems so that with one exception, which I personally believe of minor importance, we have a bill we can give our united support.

I thank Chairman ASPINALL and Chairman ROGERS for their fine work.

Looking at the bill itself, Mr. Chairman, we find H.R. 7155 would authorize construction of an outstanding reclamation project. This project would irrigate 480,000 acres of high productive land in the San Joaquin Valley. Much of this land now is irrigated from ground supplies, but the underground pools are being depleted at an extremely rapid pace. Five times more water is being drawn from the ground than is being replaced each year. One city of 6,000 people has become so desperate that it is hauling its domestic water by tank car.

If this goes on much longer, the fine farms of the area will return to dust. The desert will reclaim the land. Certainly in this day when an expanding population demands more and more foodstuffs we do not want that type of reclamation.

The San Luis project will permit proper reclamation, development of the fruit, vegetable and dairy commodities for which there is a substantial demand in the immediate region.

The Bureau of Reclamation predicts that of the 480,000 acres to receive the benefits of this project, 88,000 acres will be in truck crops, 22,000 acres in deciduous fruit and grapes, 66,000 acres in miscellaneous field crops, 88,000 acres in alfalfa, 44,000 acres in irrigated pasture, 132,000 acres in cotton and only 44,000 acres in irrigated grain and grain hay. A substantial amount of the 400,000 acres now under cultivation is in wheat production. The transformation created by the availability of an increased stable supply of good water thus will have an effect on our national wheat surplus problem.

The transformation from wheat and cotton to fruit and similar commodities will mean a gross increase of agricultural production of \$35 million a year. All of this will be added to our gross national product for the benefit of the entire Nation. This \$35 million will be money not otherwise in circulation and will be spent for automobiles, refrigerators and other appliances, furniture, shoes, clothing, frozen and canned goods from throughout the Nation, homes, and in that way provide more jobs for people throughout the Nation. The transition from the large holdings to the smaller, family type farm also will provide more jobs and more homeowners in the immediate area. This, of course, will bol-

ster and stabilize the economy to the benefit of the entire Nation.

The committee has found the benefit-cost ratio to be feasible economically with a benefit of 2½ to 1.

The project is unique in one way. It is the first Federal reclamation facility constructed in cooperation with a State government. In developing independent water plans, the State and Federal Governments settled on the San Luis site as the only feasible location for a major storage installation. From this came the logical decision that the project should be developed and used jointly, although each agency would have its own basic collection and distribution system. The Federal Government has developed projects with local agencies for many years in all parts of the Nation.

There is no reason why the Federal Government and States cannot work together, especially when the scope of the projects far exceed the jurisdiction of any single local agency.

There are many flood control, reclamation, and other types of projects involving large areas, even more than one State. These projects could be developed most successfully on a cooperative State-Federal basis.

The San Luis project is a pilot plan for all these developments. I believe the Congress should try this pilot program, especially when committee and bureau feasibility reports indicate it will be so successful.

State participation in this project would save the Federal Government \$50 million.

This is another benefit for all the people of the Nation.

Reclamation programs were developed as a program of the people. Here we have a reclamation project which will benefit the people in many ways:

By raising the standard of living of the immediate area, which will have its effect throughout the Nation.

By providing the needed farm commodities for a growing nation.

By adding \$35 million a year to our national economy, which means more products and more jobs.

All of this can be achieved at relatively low cost to the people of the Nation, since all of the distribution system costs will be repaid and almost all of the basic project costs will be repaid. The annual benefit-cost ratio is 2½ to 1.

Mr. Chairman, our fine committee has given this matter long and thorough study over the years and in summary had this to say:

On the basis of its extensive consideration and examination of the San Luis project over the past several years, the committee finds that the Federal San Luis unit is physically and economically feasible and a desirable and logical addition to the Federal Central Valley project.

The committee finds that water service to this area is urgently needed to prevent most of the area from returning to desert, and the committee believes that the San Luis unit should be authorized and construction undertaken at the earliest possible date.

The legislation here reported provides a sound basis for joint Federal-State development and use of the San Luis Reservoir site and for an agreement between the Secretary of the Interior and the State with respect to

such development. At the same time the legislation provides the means whereby the project can be constructed as an all-Federal development in the event an agreement between the Department and the State is not reached.

I urge you to approve this project. Thank you.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. McFALL].

(Mr. McFALL asked and was given permission to revise and extend his remarks.)

Mr. McFALL. Mr. Chairman, I rise in support of H.R. 7155, the Sisk bill to authorize the San Luis unit of the Central Valley project and to enter into an agreement with the State of California with respect to its construction and operation.

This proposal represents, in my opinion, the best possible example of Federal-State action in water resources development.

The operation of the Federal San Luis unit would conserve and regulate surplus wintertime water that now wastes into the Pacific Ocean and make it usable, along with additional CVP water from storage, in the water-deficient San Joaquin Valley to the south.

The water made available would provide a supplemental water supply for the irrigation of about 480,000 acres of highly productive land on the west side of the San Joaquin Valley. The unit would also provide some domestic and municipal water as well as important benefits to recreation and to the preservation and propagation of fish and wildlife.

At the same time, construction of this Federal unit will allow the development of a State project to serve additional thousands of acres of land badly needing irrigation and will serve as the basis for the transportation of water from north California to south California as is contemplated in the State water plan.

This Federal-State cooperative pattern might well also provide solutions to other water problems throughout the Nation, with resulting savings to the States involved and to the Federal Government.

The joint-use plant of the San Luis Reservoir site, apparently the only adequate and feasible storage site in the area, is the outcome of a situation in which the Federal Government and the State of California found themselves proposing key projects utilizing the same reservoir site. The State's Feather River project plan calls for storage at the San Luis location, as does the Bureau of Reclamation unit of the great Central Valley project.

In spite of the manifest difficulties in drawing up workable legislation to accomplish this joint purpose, the House Interior Committee, through the persistent and knowledgeable leadership of Congressman Sisk over the past 4 years, has drawn a bill that can and will do the job.

The San Luis project directly fits the purposes and objectives of our national reclamation policy, and the Secretary of Interior, after full study, has described the project as economically feasible and

with a very favorable benefit to cost ratio of 2½ to 1.

The project would be operated under Federal reclamation law, and I would support amendment of the measure under consideration to delete the section 7 provision in this regard, which has been the subject of some considerable discussion and misunderstanding.

The committee report makes it clear that this section is not necessary to carry out the purposes of the bill. Some people feel that the section would alter or modify existing provisions of Federal reclamation law, including the 160-acre limitation. I feel that under these circumstances it is better to leave the Federal law as it is and remove section 7 from this bill. We in California are not seeking any exemptions or favors that are not now available to all other States under general reclamation law. The 160-acre limitation has long since proved its worth in the development of our West.

Because of the lack of a firm water supply, the area to be served by San Luis does not now lend itself to the development of family-sized farms. With a firm supply of good quality water it is expected there will be a big change in the crop pattern and this, together with application of the acreage limitations, will cause the large holdings to be broken up into family-sized farms in the best tradition of American agriculture.

Also it is important to note that the pattern of family size farming in California is toward the nonbasic crops, the speciality crops such as fruits, nuts, and vegetables, which are not a part of our great national agriculture surplus problem. It is estimated that without this project, lands remaining under irrigation from ground units would be devoted to grain and cotton, which you will recognize as two of our problem crops.

The action we take today on this legislation will set the pattern for water and agriculture development in California for the next decade or longer and it may well show the way to other States with similar problems. Our State and our Nation need this project. I earnestly solicit your support of this measure.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. McGINLEY].

(Mr. McGINLEY asked and was given permission to revise and extend his remarks.)

Mr. McGINLEY. Mr. Chairman, as a member of the committee on Interior and Insular Affairs and as a member of the Nebraska delegation, I am in support of this legislation. As an important addition to the development of the Central Valley project in California, the San Luis portion is unique in many ways. Its arrival here, in bill form, on the floor of the House today is the culmination of many years of discussion, planning, negotiating, and resolving of many diverse and conflicting interests in the State of California, all of which have a legitimate stake in the final agreement that is represented in this legislation.

To me, as a resident of the Platte Valley of Nebraska, one of the most interesting beneficial features of the San Luis project is the anticipated recharge of the underground water supply that will result. The gentleman from California [Mr. SISK] has explained the critical depletion of ground water in the San Joaquin Valley which has been drawn upon for pump irrigation. He says that whereas it once was possible to have efficient wells of the depth of 200 feet, that it is now necessary to install wells having a depth of 1,000 and 2,000 feet. It is unnecessary to elaborate on the obvious cost of the farming operation that must resort to such massive investments in deep-well facilities.

Of course, each of us from our own regions encounter different problems in the goal of using our water resources to the fullest advantage and efficiency. But I am most interested in this aspect of reclamation project benefits—that of recharging the diminishing groundwater levels in established agricultural areas. Although it is one of the most real benefits, it is unfortunately one of the least measurable from the standpoint of methods used in arriving at a benefit-to-cost ratio.

Maintenance of a stable groundwater reserve is becoming more and more important in farming areas where farmers have made heavy capital expenditures in pump irrigation works. We have recognized this in the Platte Valley of central Nebraska, a rich farming and livestock feeding area, where the Bureau of Reclamation has presented the mid-State project as a means to alleviate the threatening decline in our natural water table.

Mr. Chairman, it has been my privilege as a first-term member of the Irrigation and Reclamation Subcommittee to have had a small part in the formulation of this legislation. I congratulate my colleague, Mr. SISK, and the other Members from California who have labored so long to bring the San Luis project closer to reality.

Mr. ASPINALL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. COHELAN].

(Mr. COHELAN asked and was given permission to revise and extend his remarks.)

Mr. COHELAN. Mr. Chairman, like the gentleman from Oregon [Mr. ULLMAN], I share the general feelings which have been so well expressed that the San Luis project is a good project and should be passed. While I favor the project and urge its passage, I also strongly urge the adoption of an amendment which will be introduced at the appropriate time by the gentleman from Oregon to delete section 7 from the bill.

The basic question, then, Mr. Chairman, is how Federal reclamation law, and specifically the historic and traditional 160-acre limitation, shall apply to a reclamation project, like the proposed San Luis Reservoir, in the construction of which the Federal Government is joined in some part by a State.

Generally, the San Luis bill provides for construction of a major central res-

ervoir just about in the center of our State to store waters gathered in the northern and eastern mountain ranges. From this vital storage basin, water would then be distributed to parched lands in the central, southern, and coastal areas of California.

In the two major valleys in the interior of California, the Sacramento and San Joaquin Valleys, we already have a vast Federal reclamation project—the Central Valley project. Some of the San Luis waters would be used to enlarge the Central Valley project to include valuable acreage now served by deep wells which are drying up. Other San Luis waters would be distributed to southern and coastal areas of the State.

According to the plan envisioned in the San Luis Reservoir bill, H.R. 7155, the Federal Government will build canals to take part of the San Luis water to the new Central Valley project land. The State will build separate canals to carry water to the southern and coastal areas. Now this is the heart of the matter: Those who support section 7 of this bill and argue for its retention propose that the question of how Federal reclamation law shall apply shall be simply solved on the basis that water carried through State-constructed canals is "State project" water and shall not be controlled by Federal reclamation law. Of course, it is all right, they say, for the water distributed from the San Luis Reservoir through Federally constructed canals to be termed "Federal project" water and distributed under the 160-acre limitation and other Federal reclamation law. In short, this bill applies Federal reclamation law simply on the basis of whether the State or the Federal Government distributes the water after it leaves the San Luis Reservoir.

Mr. Chairman, this is a gross oversimplification which blithely overlooks the vast Federal expenditure in the many and extensive dams, powerhouses, canals, and other facilities which will be used in gathering the water which will be stored in the San Luis Reservoir, and fails completely to take into account the vast Federal expenditure which would go into the construction of the San Luis Reservoir itself.

Let us take a closer look. The flow of water into the Sacramento-San Joaquin Delta, the natural pool from which the San Luis Reservoir would be directly filled, is regulated and controlled by the Shasta Dam, the Keswick Dam, the Nimbus Dam, the Folsom Dam, and others. These are all projects which were constructed with Federal funds. Furthermore, waters en route to San Luis Reservoir would pass through the delta cross-channel, a project constructed with Federal funds. These same waters would be pumped up out of the delta en route to San Luis through the Tracy pumping plant, a project constructed with Federal funds. Finally, San Luis pumping facilities will be activated by power from federally constructed powerplants in the Central Valley project.

Now we get to the San Luis project itself. The immense substructure of the

San Luis Reservoir, the deep foundations, and the first story of the dam would be constructed and financed by the Federal Government. On top of this, it is proposed that the State of California build a second story so that it will be possible to store more water. The basic unit would be a Federal project and without this primary Federal investment there would be no reservoir for the State to later expand.

These are the facts: First, Federal structures regulate and control the water which will be gathered at San Luis, and, second, Federal investment will make the San Luis Reservoir possible.

These are the facts which we are asked to ignore when it comes to the question of how Federal reclamation law shall apply. Section 7 of H.R. 7155 would have us ignore the Federal interest in the structures by which water is brought to, and stored at, San Luis and simply divide the water after that point on the basis of whether it is then distributed by the State works or by Federal works and apply Federal reclamation law accordingly.

Federal reclamation law, specifically the Warren Act, bases the application of Federal reclamation law on the question of what facilities the water passes through, not just at one point along the way, but throughout the whole project—not just on the canal through which the water passes from a particular reservoir, but on the dams and canals and reservoirs through which it passes from point of origin to point of use.

Mr. Chairman, the amendment to delete section 7 from H.R. 7155 is intended to do only one thing, namely, remove that section of this bill which predetermines that Federal reclamation law shall be applied on the basis of who carries water from the San Luis Reservoir, the section which completely ignores the extensive Federal interest in San Luis itself and in the vast facilities which will bring that water to the San Luis pool.

Congress cannot ignore that Federal interest. Indeed, the sole job of the Congress in this matter is to jealously protect the Federal interest.

Mr. Chairman, deletion of section 7 of this bill will accomplish two things. Not only will it protect the traditional Federal reclamation law, but it will also assure the passage of this legislation which is so important to the State of California. The other body last year passed the San Luis bill after deleting this same language, and, in doing so, made it clear that a House bill which includes this controversial section will not be acceptable.

I urge my colleagues to vote for the Ullman amendment to protect Federal reclamation principles and to assure the passage of this legislation which will create a vital, worthwhile reclamation project much needed in California.

The following letter from Dr. Paul Taylor, professor of economics and chairman of the Institute of International Studies at the University of California in Berkeley, Calif.—a distinguished economist long regarded as an expert on

water and land policy—is well worth the careful attention of our colleagues. It is a summary statement of Professor Taylor's views on the San Luis project.

APRIL 6, 1960.

HON. JEFFERY COHELAN,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN COHELAN: A proposal is before the House to abandon this Nation's historic policy of distributing the benefits of water widely, rather than reserving them for the few.

Specifically, section 7 of H.R. 7155 (San Luis) proposes to grant waters destined for delivery to a so-called State service area the special privilege of using Federal facilities without observing the Federal excess land law. It has been a practice to defend some past proposals for similar exemption on the ground that few large landholdings were involved in the area, perhaps on an unspoken theory that a violation of public policy is not really a violation if it is small enough. Even that specious plea cannot be made to Congress at San Luis.

The proposal of H.R. 7155 is to exempt, not a handful of large landowners, but an area of perhaps the greatest concentration of landownership of an irrigable area in the United States. In 1947 34 individuals or corporations, according to reports of the Bureau of Reclamation to Congress, owned close to three-quarters of a million acres "in probable present and future San Joaquin Valley service areas" of water development. None of them owned less than 5,000 acres each. (Senate Public Lands Subcommittee hearings on S. 912, 80th Cong. 1st sess., p. 864.)

In face of this frontal attack on national policy, we need to remind the public that the 160-acre limitation is exceedingly generous to large landowners. If it disappoints them, it is not because reclamation law is not lavish in the benefits it bestows, but because the law places a ceiling on the benefits one individual can receive. The excess land law takes nothing from its beneficiaries except hopes and expectations of gain that Congress has decided are beyond what they can appropriately be permitted to receive. A few simple arithmetic calculations of subsidies on a project adjacent to San Luis can be used to suggest the ceiling, and leave to anyone's judgment whether it is unreasonably low, and a just ground for complaint. In 1957 California Congressmen (ENGLE, MILLER, MOSS, HAGEN, SISK, MCFALL) estimated that the per acre subsidy on Federal Central Valley project, adjacent to San Luis, is \$577, or \$92,320 for 160 acres; or \$184,640 for 320 acres of water allowed to man and wife by current interpretation of the excess land limitation. These estimates are exclusive of flood control subsidies, and exclusive of the privilege accorded to excess landowners of operating their entire acreages, no matter how extensive, with a subsidized water supply for about 10 years prior to sale of the excess holdings. The financial magnitude of this operating privilege has been acknowledged to Congress by a witness unfriendly to any protective limitation whatsoever on the amount of public subsidy to individuals:

"Let us lay the cards on the table with respect to a particular, named, large landowner. I will give you my own opinion of his willingness to sign the 160-acre limitation. He thinks if he gets water for 10 years on there without having to sell it, he can make enough out of it so he can afford to sell the land at any old price." (Testimony of Harry W. Horton, chief counsel, Imperial Irrigation District, California, hearings before Senate Subcommittee on Interior and Insular Affairs, 85th Cong., 2d sess., on S. 1425, S. 2541, and S. 3448, pp. 87, 88.)

To approve section 7 would be to say that subsidies and gains from public expenditures

of these large, not to say vast magnitudes, are too small.

So far as I know, no one has offered any reason why this great concentration of land-ownership in a California "State service area" should be freed from the compliance with law expected of other landowners. The author of the National Reclamation Act, and other original sponsors of reclamation said they had this very concentration of large holdings in mind when Congress passed the 160-acre water limitation in the first place.

Instead of pointing out characteristics, if any, of this extreme concentration of land-ownership in the San Luis area, that might support a plea for special treatment, the specious reason is advanced that State law should govern a State-served area. This, of course, is misleading; section 7 is unnecessary to assure that waters delivered to State service areas will be governed by State law. The fact is that Federal law applies at San Luis because these waters use Federal facilities, as the very language of section 7 acknowledges. There is no evidence at all that the owners of vast landholdings in the State service area want State law to apply; on the contrary, they want no acreage limitation law at all, neither Federal nor State.

California has a State law which it adopted, viz, Federal acreage limitation for Federal projects in the State, but a gap in State law leaves the so-called State service area uncovered by the State's policy. Large California landholders seek, not to extend State law in accord with State policy, but to preserve the gap. A recent decision of the California supreme court, on February 29, 1960, declares this identity of Federal and State policy and law on Federal projects in the State. The court said there is no

"basic conflict between Federal policy and law on one hand, and State policy and law on the other. * * * The Federal Congress by the passage of section 5 of the Reclamation Act, has determined, lawfully, that the 160-acre limitation, is a basic part of Federal policy. The State legislature has adopted this concept as State policy by specifically authorizing irrigation districts to enter into contracts for project water that contain the 160-acre limitation (Wat. Code, sec. 23195)." (*Ivanhoe Irr. Dist. v. All parties* (53 Advance Cal. 718).)

California policy adverse to large landholdings is even older than Federal-State reclamation legislation. The State constitution contains a 320-acre limitation on grants of State lands (art. XVII, secs. 2 and 3); and the convention debates show that article XVII was adopted largely in protest against concentration of landownership in the very State service area for which section 7 now seeks an exemption from Federal law. Interpreting article XVII, the California Supreme Court has said:

"It must be manifest that all lands within this State should, so far as governmental action could accomplish it without violating private rights, be held in small tracts and constitute homes for its owners" (*Fulton v. Brannan* (88 Cal. 454, 455)).

There is no evidence, however, that the California Legislature intends to close the gap in State law in order to achieve State policy on the San Luis "State service area." On the contrary, the legislature has defeated attempts to close the gap in 1957 and again in 1959. There is no evidence that the legislature will do differently in the future. On the contrary, a leading association in California with spokesmen for very large landholdings on its directorate appears confident that the legislature can be relied upon not to bring State law into line with State policy. As recently as February 12, 1960, the Feather River Project Association opposed Federal construction of San Luis joint-use facilities. If Congress rejects the exemption proposed by section 7, and proposes turning construction over to the State. Of course, the people

of the State may not approve this proposal to help large landholders escape from public policy.

The Feather River project joins others who have been saying to Congress, "It is essential to the State water development program that State laws apply to its water service areas" (FRPA Newsletter, Feb. 29, 1960). There is no State law, and most of those who insist on section 7 do not want any State law. The appeal to demolish existing Federal law in order to make way for an alleged State law appears to resemble an invitation to Congress to permit itself to be led by the hand into a dark cellar at midnight, searching for a black cat that isn't there.

At this time no one can even be certain how much of a State water project there will be. California voters will not decide prior to November 1960 whether they approve a general obligation bond issue in the amount of \$1.75 billion to start financing a program. Opposition to these bonds is strong, and for many reasons. The California Federation of Labor, in the absence of policy protection at least equal in strength to the Federal 160-acre limitation, is among the organizations that oppose the issue.

If California should decide to put up money for a State program, is even that a reason why Congress should scrap a good Federal policy? The 160-acre protection was written for the benefit of the many in every State, including California, and not for the few. Congress has rejected proposals to sell policy in exchange for money before this. The 57th Congress, facing this question, said "No." It specifically repudiated "commutation" of policy for money in framing the original act of 1902 because it knew how seriously cash purchases of land had damaged the policy of the homestead law (sec. 3, 38 Stat. 389; Paul W. Gates, "Homestead Law in an Incongruous Land System," 41 Am. Hist. Rev. 655, 656).

You will appreciate, surely, that I am not speaking of conscious purposes of congressional sponsors of section 7, H.R. 7155, but rather of the natural and probable damage to policy that would result if Congress should take the action they propose. The damage was described as intentional on the part of excess-land owners as long ago as 1944, before the present sponsors were Members of the Congress, when a national magazine forecast that large landowners in Central Valley would seek to make use of the State of California as a means of escape from acreage limitation. "Another proposal," it wrote, "said to have originated among the big landowners of Fresno County, is for the State of California to take over the Central Valley project, paying the entire bill." (*Business Week*, May 13, 1944, p. 24.) Section 7 of H.R. 7155 and the resolution of the Feather River Project Association on February 12, 1960, appear to harmonize with this forecast.

The 160-acre limitation of 1902 was an expression in reclamation law of a principle embodied even earlier in homestead and preemption land laws, favoring widespread ownership of property rather than concentration. Widespread ownership was believed to be favorable, if not necessary to government by the people. Speaking in 1820 at the bicentennial of the landing of the Pilgrims, Daniel Webster said:

"Their situation demanded a parceling out and division of the lands; and it may be said fairly that this necessary act fixed the future frame and form of their Government. The character of their political institutions was determined by the fundamental laws respecting property. * * * The consequence of all these causes has been a great subdivision of the soil, and a great equality of condition; the true basis most certainly of popular government." (Webster, discourse delivered at Plymouth, Dec. 22, 1820. In commemoration of the first settlement in New England 53-54 (3d ed. 1825).)

Is widespread ownership of land by families outmoded? No American political party has said so yet. No studies of agricultural production indicate that family farms of sizes permitted by acreage limitation are inefficient. During the recent visit to this country of Mr. Khrushchev, the name of a distinguished Member of the House was appended to a vigorous letter published in the Washington Post, saying:

"I would inform Mr. Khrushchev, if he does not now know it, that the Independent family farm was the foundation upon which America's free enterprise economy was constructed" (Sept. 13, 1959, p. A12).

Section 7 is an attack on the family farm, and on small business, too. Some years ago, about the time when Congress was rejecting proposals similar to section 7, made by former Congressman Alfred Elliott and by former Senators Sheridan Downey and William Knowland (H.R. 3961, sec. 4, 78th Cong.; S. 912, 80th Cong.), a study was made comparing the effect of family-size and large-scale farming, respectively, on small business in Central Valley, Calif. The Senate Small Business Committee published the results in 1946 under the title "Small Business and the Community: A Study in Central Valley of California on Effects of Scale of Farm Operations." (Report of the Special Committee To Study Problems of American Small Business, U.S. Senate, 79th Cong., pursuant to S. Res. 28, committee print No. 13, Dec. 23, 1946.) On page 5 that reports says:

"Certain conclusions are particularly significant to the small businessman, and to an understanding of the importance of his place in a community. Not only does the small farm itself constitute small business, but it supports flourishing small commercial business.

"Analysis of the business conditions in the communities of Arvin and Dinuba shows that—

"(1) The small farm community supported 62 separate business establishments, to but 35 in the large-farm community; a ratio in favor of the small-farm community of nearly 2:1.

"(2) The volume of retail trade in the small-farm community during the 12-month period analyzed was \$4,333,000 as against only \$2,535,000 in the large-farm community. Retail trade in the small-farm community was greater by 61 percent. (See figure and table, pp. 83 and 84.)

"(3) The expenditure for household supplies and building equipment was over three times as great in the small-farm community as it was in the large-farm community.

"The investigation disclosed other vast differences in the economic and social life of the two communities, and affords strong support for the belief that small farms provide the basis for a richer community life and a greater sum of those values for which American stands, than do industrialized farms of the usual type."

Introducing the Arvin-Dinuba study, the chairman of the Senate committee said:

"The bearing on the American way of life which is all-important to all of us who seek to see the virility of this Nation go on unimpaired, is at once apparent. I submit this study to the Senate Small Business Committee, to the United States Senate, and the citizens of this country, feeling that it further indicates the importance of independent small-scale business as the cornerstone of our American economic system of free enterprise."

It is surprising that the attempt to escape from a policy so fundamental, while accepting benefits from generous public appropriations, could have advanced so far. Last May, a Senator described the Senate measure companion to section 7 of H.R. 7155 as a proposal for "one of the greatest land steals in the history of this Nation." (CONGRES-

SIONAL RECORD, May 11, 1959, p. 7052; sec. 6a, S. 44.)

If Daniel Webster knew the dangers of concentrated landownership in 1820, and Abraham Lincoln knew them in 1862 when he signed the Homestead Act, Theodore Roosevelt knew them also when he inspired the 160-acre limitation in the Reclamation Act he signed in 1902. A few years afterwards, when in San Francisco, he told the Commonwealth Club of California:

"Now I have struck the crux of my appeal for the excess land law. I wish to save the very wealthy men of this country and their advocates and upholders from the ruin that they would bring upon themselves if they were permitted to have their way. It is because I am against revolution; it is because I am against the doctrines of the extremists, of the Socialists; it is because I wish to see this country of ours continued as a genuine democracy; it is because I distrust violence and disbelieve in it; it is because I wish to secure this country against ever seeing a time when the 'have-nots' shall rise against the 'haves'; it is because I wish to secure for our children and our grandchildren and for their children's children the same freedom of opportunity, the same peace and order and justice that we have had in the past." (7 Transactions of the Commonwealth Club 108 (1912-13).)

Today, more even than a domestic issue of internal stability is raised by section 7. At stake, also, is the image of ourselves as a Nation that we wish to project to the world. Eight years ago Senator PAUL DOUGLAS, of Illinois, wrote to a Secretary of the Interior: "The great landowners of the Kings River and Tulare Lake area apparently have not hesitated to seek public appropriations for their own benefit while deferring and possibly defying compliance with a law they should be proud to support. The President, on the other hand, has wisely declared maintenance of the family farm to be our national policy at home and abroad. Land reform has become one of our main instruments for stopping the spread of international communism and maintaining our national security. * * * Whatever we do on Kings River, therefore, will be subjected to the most searching examination of all who realize that our policy must now meet the test in our own country as well as in foreign lands." (98 CONGRESSIONAL RECORD 9181.)

Why should Congress allow itself to be persuaded now at San Luis, Calif., to nullify the policy and law it enacted for the benefit of the entire Nation, including California?

Sincerely yours,

PAUL S. TAYLOR.

I also wish to add one further insertion, Mr. Chairman, which is a detailed statement explaining the views on this legislation of the California State Labor Federation, AFL-CIO:

STATEMENT BY CALIFORNIA STATE LABOR FEDERATION, AFL-CIO

The California Labor Federation, AFL-CIO, is deeply concerned by what appears to be a three-pronged attack in Sacramento and Washington to thwart the aims of Federal water policy and allow future irrigation projects in California to fall under the control of the few corporate absentee owners who hold huge tracts of land in the San Joaquin Valley.

This three-pronged attack is manifested in the following:

1. The San Luis legislation now being considered by the House Rules Committee.

2. The irrigation repayment contract which Secretary of the Interior Fred Seaton has recently offered to districts in the Pine Flat service area.

3. Water legislation passed by the California State Legislature.

These three drives are not necessarily coordinated, but, significantly, each of them would serve the same end: Monopolization of irrigation water furnished by public moneys.

SAN LUIS LEGISLATION

On April 24, 1959, this organization mailed to all Members of Congress an analysis (enclosed) of the San Luis bills. Since that time, one of the bills, S. 44, has been passed by the Senate with one of the key amendments suggested in our earlier statement (deletion of section 6a). Meanwhile, H.R. 7155 has cleared the House Interior Committee, and is now in the Rules Committee. H.R. 7155 is virtually the same bill as H.R. 5687 which is analyzed in our enclosed statement. The most objectionable feature which appeared as section 6 in H.R. 5687 shows up in H.R. 7155 as section 7.

We were pleased to discover that some of the objectionable language in section 3h has been removed, but that sections 3f and 3g have not been improved.

Without repeating the substance of our previous statement, we would like to emphasize that none of the language to which we have objected is necessary in this bill. The bill is complete without it, the legal framework for a cooperative State-Federal project already exists in present Federal reclamation law and, finally, the inclusion of this language can only serve to confuse and confound existing law to the sole advantage of the larger landowners, some of whom right now are on the verge of evading the aims of reclamation law in Pine Flat services area.

PINE FLAT SERVICE AREA

Secretary of Interior Fred Seaton has recently offered to the local districts receiving irrigation water from Pine Flat Dam repayment contracts which would allow them to sidestep compliance with the so-called 160-acre limitation (actually the 320-acre plus limitation) by prepaying the charges allocated for irrigation, but not, of course, all the charges involved.

In offering to exchange policy for cash by this prepayment doctrine, Secretary Seaton relies on an obtuse interpretation of reclamation law. But he fails to recognize that:

1. This interpretation runs counter to the strongly expressed legislative intent of the law. The framers of reclamation law planned to erect a permanent barrier against water monopoly. One that is not for sale.

2. On two occasions (in 1950 and 1951) legislation was introduced to permit the type of Pine Flat contracts Seaton is now proposing. Congress did not pass on either bill, so Secretary Seaton in 1959 is acting without legislative authority and in contradiction to the intent of the law which is supposedly designed to insure widespread distribution of the economic benefits of public financed water projects.

About 25 percent of the 1 million acres in the Pine Flat service area is excess land—land which should not receive water from Pine Flat unless the owners agree to abide by the acreage limitation. Incidentally, the dam has been completed for 5 years, and for 5 years the irrigation water furnished therefrom has been distributed with total disregard for the so-called 160-acre limitation. All the while, the large landowners have bickered over contract terms.

The pattern of land holdings in this area breaks down like this: Some 5,900 owners hold no excess land (no more than 160 acres per owner) while a mere 52 farmers own 196,466 excess acres.

In the Federal service area of the San Luis project, 66 owners hold about 70 percent of the project's 450,000 acres.

The Pine Flat and San Luis situations are closely related for two reasons:

1. The interpretation of the law which Seaton falls back on at Pine Flat is the same as one of the arguments which supporters of the San Luis legislation are using to buttress their claim that the Federal law cannot be applied to the alleged State part of the project. They say the State will be paying its share of the project as construction proceeds, therefore, the prepayment doctrine, which would free water from regulation once allocated charges are paid, in this case would free State water from regulation.

Supporters of H.R. 7155 also argue that the alleged State part of the project is a separate venture. Of course, if this were strictly true, the Federal law could not apply. But the very fact that these advocates find it necessary to include special exemptions in their bill and the fact that they rely so heavily on Seaton's unsubstantiated interpretation (see House report, pp. 11-16) seems to indicate that even they have some grave doubts about the existence of any separate State project.

This conclusion seems inescapable: The special language in San Luis legislation and Seaton's ruling on Pine Flat are desired by certain interests to evade application of Federal reclamation law as concerns Federal facilities. We appreciate the fact that some of those supporting H.R. 7155 have accepted the questionable language as the price they must pay to gain support from certain interests in California. We do not doubt the sincerity of these men, but we cannot accept their assurances, and we do not believe that the whole framework of future California water development should be lashed to their political commitments.

2. The Pine Flat and San Luis situations are also closely related because many of the same corporate interests who hold huge acreages in the Pine Flat service area also have giant holdings in both the State and Federal service areas of the San Luis project which is right next door. If these interests will negotiate and stall on Pine Flat to avoid the law—as they successfully have—we certainly can expect they will resort to the same tactics on San Luis. The language of the San Luis legislation should be direct and minimal, not devious and rambling. It should be such that all reasonable men who understand reclamation law are not at odds as to just what every sentence means.

STATE WATER LEGISLATION

Some supporters of H.R. 7155 are taking a "Let George do it" attitude in regard to antimonopoly and antispeculation controls. Rather than assert Federal authority, they apparently maintain the fiction of an independent State project, succumb to the lure of States rights, and design language which limits, and in part repeals Federal authority.

We are told that the provisions in the San Luis bill for State participation relate to an entirely independent project, and that the Federal Government cannot enforce its regulations. We do not know of any lateral barrier being planned in the San Luis Dam that will separate Federal water from State water, and prevent the latter from touching Federal concrete. On the contrary, it is our understanding that water for Federal deliveries is to be pumped to the San Luis Dam in the winter, and that as this water is used for irrigation in the summer, the State would have direct planned use of the federally financed portion of the dam. Again we note that the supporters of H.R. 7155, who hold to the State's rights point of view, find that to maintain this position, they must write special provisions into the Federal bill to make sure the Federal law will not apply to a State project.

The full significance of this argument is revealed by the action—or more accurately the inaction—of the California Legislature.

The history of the California Legislature is consistent in efforts of the body to evade the application of Federal reclamation law to California projects. This history dates back to the period when the Federal Government assumed the responsibility for construction of the Central Valley project, and specifically to 1944, when the legislature adopted a resolution memorializing Congress to adopt the Elliott rider to the Rivers and Harbors Act, designed to remove the application of the excess lands law to the Central Valley project (SJR 1, filed with the Secretary of State, June 15, 1944, ch. 24, statutes of California, 4th extra session of the 55th legislature.)

In the failure of the California Legislature to secure exemptions for monopoly landholders in Federal law, it has nevertheless left the door open for these monopoly forces to use the State as a vehicle for undoing Federal reclamation law.

This year several important water measures were passed by the California Legislature. None of them, however, contained any type of acreage limitation or public power preference. The most important measure was the passage of S. 1106, the Governor's \$1.75 billion bond issue program, which will be submitted to the voters next fall. Unsuccessful efforts were made in both houses of the California Legislature to incorporate antimonopoly protections. The amendments were not supported by the State administration or the sponsors of the bill. During debates, claims were made that this was not the time to consider protections against enrichment and monopolization of benefits. A later date was suggested—some vague later date before water delivery. Those of us familiar with the evasions at Pine Flat Dam and the history of the Central Valley project generally, find it difficult to be convinced by such vague assurances.

Further, we are not unmindful of the decision of the California Supreme Court which upheld the efforts of monopolists in this State to undo reclamation law. While the U.S. Supreme Court reversed the State court decision in the application of the 160-acre limitation in the Central Valley project, there is no assurance that anything short of a State constitutional amendment, requiring two-thirds vote in the legislature, would prevent the invalidation of a State acreage limitation.

In summary, therefore, when we add up the questionable language in H.R. 7155, the machinations at Pine Flat Dam and the aloofness of the State legislature, we see a major threat to Federal water policy, dire consequences for working people, small farmers and small businessmen, and an erosion of independent economic political action in the great Central Valley of California.

We are taking this opportunity, therefore, to respectfully urge Congress to (1) amend H.R. 7155 along the lines suggested by the enclosed statement previously submitted to Congress, and (2) protest Secretary of Interior Seaton's proposed contracts for evasion of reclamation law in the service area of Pine Flat Dam.

California is truly at the crossroads in the development of its water and power resources. The decisions immediately before Congress will give direction to the future growth of California for years to come. We in California labor place our trust in the men of vision and integrity who are our elected representatives, to make the decisions which will insure the development of California's water and power resources in a manner consistent with the widest possible distribution of the benefits of such development.

(Mr. LIPSCOMB asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LIPSCOMB. Mr. Chairman, I rise in support of H.R. 7155 as reported by the House Committee on Interior and Insular Affairs. The San Luis Dam is a vital link in the California water plan and I deem it of vital importance that the bill be speedily enacted into law.

I am in agreement with the committee action in setting forth, in section 7, that Federal reclamation laws shall not apply to an area served by a State water facility.

Section 7 does not change the Federal reclamation laws. It merely attempts to state in clear, unmistakable language that just because there would be joint Federal-State use of a common water storing facility, that such a situation for no reason gives rise to a right to impose Federal law on the State part of such facility.

The Congress in my view would not be fulfilling its duty if it failed to provide this expression of policy for the guidance of the Federal Government, the State of California, the courts, and others, in any future decision that may be given or negotiations that will take place concerning this unique joint facility.

To fail to do so on the part of the Congress could cause unreasonable and unnecessary delay and confusion in putting this facility into use and in any decisions that may need to be made concerning the relative rights in regard to the project.

I wish to again strongly urge the House of Representatives to approve H.R. 7155 as reported by the Committee on Interior and Insular Affairs.

(Mr. MOSS (at the request of Mr. SISK) was given permission to extend his remarks at this point in the RECORD.)

Mr. MOSS. Mr. Chairman, in supporting H.R. 7155, as introduced by Congressman SISK, I should like to stress that the San Luis Dam and Reservoir is not just another worthwhile project in my State; it is central and necessary to the sound development of California's vast water program which stretches from the Siskiyou Mountains on the north to the Mexican border on the south.

As I am sure you all appreciate, California's water problems have become more complicated and critical as its population has skyrocketed. The State's population now is more than 15 million and that figure is being increased daily by thousands. In something like 8 or 9 years, California, beyond doubt, will be the most populous State of the Union.

Time, therefore, is an increasingly important factor in our water situation.

As some of you know, the big difficulty waterwise in my State is that about two-thirds of its water resources are in the northern half of the State, where only one-third of the arable land lies, and about two-thirds of the arable land lies in the southern half of the State, which enjoys only one-third of the water resources.

The operation of the Federal San Luis unit would conserve and regulate surplus wintertime water now wasting away down the Sacramento River to the Pacific Ocean and make it usable, along with additional Central Valley project

water from storage, in the water-deficient San Joaquin Valley to the south.

Water thus made available would provide a supplemental supply for the irrigation of about 480,000 acres of fabulously rich land on the west side of the San Joaquin Valley. It would also give some sorely needed domestic and municipal water to towns in this area, as well as providing important benefits to recreation and to the propagation of fish and wildlife.

As far as they serve the Federal San Luis service area, this project's works would be integrated physically and financially with other features of the great Central Valley project, to help move the rain from north to south in California.

By any rule the San Luis project, with a benefit cost ratio of 2.5 to 1 is an outstanding reclamation project. Not only will it save more than 400,000 acres of land from reverting to desert, but it will contribute many millions of dollars annually in net crop earnings to the Nation's economy, with which to buy the goods, services and products of other States.

In this connection, I might point out that the total gross farm income from the San Luis area is \$75 million annually. Thus, it seems obvious that construction of San Luis would mean more markets and more jobs for many more people than are presently employed in this area. On the other hand, failure to build it would result in a large annual loss to the Nation's economy.

For several years, preparation of satisfactory San Luis legislation has been complicated by the fact that the development involves joint use by the Federal Government and the State of California of the proposed San Luis Reservoir and certain other project facilities. The joint use plan, provided for in Mr. SISK's bill, is the outcome of a situation in which both the Federal Government and the State found themselves proposing projects utilizing the same reservoir site. That is to say, California's \$1.75 billion Feather River project calls for storage at the San Luis site and so does the Bureau of Reclamation's plan for the San Luis unit of the Central Valley project. The engineers seem to be in agreement on the fact that the San Luis Reservoir site appears to be the only adequate and feasible storage site in the area.

H.R. 7155 provides a new concept for Federal-State cooperation in water conservation. It is not hard to understand, therefore, the concern that has been expressed by some individuals and groups lest the large land owners in the San Luis service area might in some way be exempt from the land limitation provisions of the Federal reclamation laws.

The Interior and Insular Affairs Committee of the House gave careful consideration to all the views and comments it received along this line and amended the bill in several respects. The committee has announced that it wishes to make it unmistakably clear that the SISK bill as reported requires the operation of the Federal San Luis unit under Federal reclamation law, including the excess

land provisions thereof, and that there is no way the large land owners in the Federal San Luis service area can avoid compliance with such provisions.

Section 7 of this bill provides that the Federal reclamation laws shall not be applicable to areas served by the State of California. It is my conviction that section 7 should never have been put into the bill inasmuch as it does not in any way change the law as it is presently written, and only raises issues which tend to cloud the more important aspects of the legislation.

Since I view the section as unnecessary and without point, I support the San Luis legislation without section 7.

If, however, a move to strike section 7 is defeated, I shall support the measure with the section included.

Mr. ASPINALL. Mr. Chairman, I yield 8 minutes to the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

Mr. YOUNGER. Mr. Chairman, I object.

Mr. ASPINALL. Mr. Chairman, I ask that the Clerk read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, and related facilities, but no facilities shall be constructed for electric transmission or distribution service which the Secretary determines, on the basis of an offer of a firm fifty-year contract from a local public or private agency, can through such contract be obtained at less cost to the Federal Government than by construction and operation of government facilities. The works (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, pumping plants, and the San Luis Canal. The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed, so as to permit future expansion; or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area, as hereinafter provided. In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto). Construction of the San Luis unit shall not be commenced until

the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan, Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit or has made provision for constructing the San Luis interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956.

Mr. ASPINALL. Mr. Chairman, I move that the Committee do now rise. The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7155) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, had come to no resolution thereon.

(Mr. LANE asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. LANE'S remarks will appear hereafter in the Appendix.]

ANNOUNCEMENT

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, along with a number of colleagues I was not present for the session on Monday, May 2, 1960, because of the assurances that many of us had received that, due to the Indiana primary on May 3, there would be no RECORD votes.

Because of circumstances with which we are all now familiar, there were RECORD votes on May 2 and many Members, including myself, were not present.

Mr. Speaker, I should like to announce that, had I been present on May 2, I would have voted "yea" on rollcall No. 62, on the passage of H.R. 10596, legislation to change the method of payment of Federal aid to State or territorial homes for disabled veterans of the United States. This bill was passed by a vote of 265 to 0, with 165 Members not voting.

I should also like to announce that, had I been present, I would have voted "yea" on rollcall No. 63, on the passage of House Concurrent Resolution 633, a resolution expressing the hope of Congress that the President "pursue energetically" at the summit conference the restoration of fundamental freedoms

and basic rights to the people of the captive nations of Eastern and Central Europe. This resolution was passed by a vote of 276 to 0, with 154 Members not voting.

NATIONAL MILK SANITATION BILL

(Mr. JOHNSON of Wisconsin asked, and was given permission to extend his remarks at this point in the RECORD.)

Mr. JOHNSON of Wisconsin. Mr. Speaker, I have been working for the past 4 years on ways of eliminating the use of sanitary regulations as trade barriers against the free flow of high quality milk from State to State.

During the 85th Congress, I introduced a bill aimed at this objective. Hearings were held on this measure in 1958 by the House Interstate and Foreign Commerce Committee, and the testimony at those hearings proved very useful in pointing out some of the weak spots in the proposed legislation. Before submitting my new national milk sanitation bill, H.R. 3840, I consulted with public health officials to iron out those difficulties.

H.R. 3840, which is identical to S. 988, follows the recommendations of the Association of State and Territorial Health Officers. As the name implies, this association is composed of the chief health officials in each State and territory. In 1957, the association set up a committee to study the matter of Federal milk sanitation legislation, and, a year later, issued an official report titled "Need and Recommended Principles for Federal Milk Sanitation Legislation."

This report states:

The association believes that there is need to strongly reaffirm that the sanitary control of fluid milk and fluid milk products is a public health matter which is primarily the responsibility of State and local governments, except where interstate commerce is involved.

Mr. Speaker, H.R. 3840 and S. 988 are in full agreement with the principle set forth by the Association of State and Territorial Health Officers. This legislation seeks only to provide unrestricted interstate markets for milk of the highest sanitary quality by eliminating the use of capricious and arbitrary pseudo-health regulations to keep high quality milk out of monopolized local markets.

Being a public health and general welfare measure, national milk sanitation legislation has drawn bipartisan support. In the House, 9 other Democrats and 10 Republicans have joined me in introducing the bill. On the Senate side, the measure is being sponsored by Senators HUMPHREY and MCCARTHY of Minnesota and Senators PROXMIRE and WILEY of my home State of Wisconsin.

Under the provisions of the proposed milk sanitation legislation, a Federal Milk Sanitation Code which would be at least the equivalent of the U.S. Public Health Service's proven milk ordinance and code would become the quality yardstick for milk shipped in interstate trade. Fluid milk and fluid milk products meeting the standards of this Federal milk code could not be kept out of interstate trade because of varying local health rules.

Mr. Speaker, the measure would provide an effective means of eliminating barriers to the interstate shipment of high-quality milk resulting from unduly restrictive sanitation regulations and differing inspection requirements. This would be accomplished without displacing the existing local systems. The force of Federal law would be applied only where health regulations or enforcement practices are being used to unnecessarily obstruct the interstate marketing of wholesome milk of high sanitary quality.

As the same time, the States and municipalities would retain the right to inspect the interstate milk upon arrival to make sure it had not deteriorated in transit. From there on, the handling, processing and sale of the interstate milk would have to meet the requirements applied to milk entering the market from sources inside the State. Since the bill does not contain an "affects interstate commerce" clause, the measure would not deprive States and local communities of the right to exercise full sanitary control over their intrastate milk supplies.

National milk sanitation legislation would utilize, subject to U.S. Public Health Service checks, the existing system of State and local milk sanitation services for supervision, inspection, laboratory control, rating, and certification of interstate milk supplies. A minimum of Federal expenditure would be required to monitor certifications made by the States and to support certain other services such as training, research, and development of standards.

Mr. Speaker, some critics of national milk sanitation legislation have advanced the theory that it would be detrimental to the quality of the milk sold in their markets. These critics reason that the Federal standards to be established under the bill might not be adequate to protect the health of their citizens.

The bill provides that the Federal standards shall be at least the equivalent of the high health standards now contained in the Milk Ordinance and Code recommended by the U.S. Public Health Service—which is the watchdog of our public health. At the present time, 36 States and some 1,900 local jurisdictions have voluntarily adopted this model milk code or one based on its provisions. Some 75 million people drink milk produced under conditions spelled out by the U.S. Milk Code. In addition, it is used as the quality standard for milk purchased by our Armed Forces. Surely a body of health regulations in such general use cannot be notably deficient in providing for adequate health protection of our citizens.

On April 26, 27, and 28, the Health and Science Subcommittee of the House Interstate and Foreign Commerce Committee held hearings on my H.R. 3840 and the milk sanitation bills introduced by 19 of my colleagues. We received favorable support from the Department of Health, Education, and Welfare; the Department of Commerce; the Bureau of the Budget; the Association of State and Territorial Health Officers; the National Consumers League; the General

Federation of Women's Clubs; the Connecticut Milk Consumers Association; State boards of health; dairy equipment manufacturers; and many farm and dairy groups.

Mr. Speaker, in contrast to the wide range of persons and groups who appeared in support of the measure, the opposition was limited mainly to representatives of eastern fluid milk producer groups, farm groups from the same area, and a few State departments of agriculture. In going over their testimony, I found that 16 objections to the legislation are mentioned most frequently. I have gone over these 16 objections with experts in the general field of milk sanitation, and at this time, I would like to answer the objections point by point. They are as follows:

Objection 1: There is not enough evidence to show that health regulations have been unduly restrictive.

Answer: Considerable evidence indicates that on numerous occasions the sanitation or health requirements of a local milkshed have been used to keep out milk from another area. The U.S. Public Health Service has compiled such evidence, as has the U.S. Department of Agriculture. The experience of numerous milk cooperatives and milk plants shows that health regulations in truth have been, and are being used as trade barriers. This usually occurs during the time of the year when a surplus of milk exists in the locality. At times when there is a shortage of milk in the same locality, no questions are raised about the quality of milk shipped in from another State.

Frequently these out-of-State milk supplies are prevented from entering a local market by verbal interpretation of existing laws or regulations. This makes it difficult for out-of-State firms to appeal such a decision through the courts.

Objection 2: Such a law would lower the milk sanitation standards in receiving areas.

Answer: A comparison was recently made between the Milk Ordinance and Code recommended by the U.S. Public Health Service and the milk sanitation laws and regulations of some of the States which do not follow the Public Health Service's regulations. This comparison of milk sanitation standards revealed that these States either failed to cover many sanitation items of significant public health importance, or else referred to these items in general terms rather than in specific terms contained in the Public Health Service's Milk Ordinance and Code.

This code has been tried and proven over the years throughout the United States. A 90 percent compliance with the provisions of the code, as is required by this bill, would produce the highest quality milk, the safety of which would be above question.

Objection 3: The provisions of this bill would deprive States and municipalities of their police powers over milk sanitation and so would violate States' rights.

Answer: The Federal Government has the right to control interstate commerce, and this bill deals only with the inter-

state shipment of milk. The measure does not deprive the receiving State or municipality of the right to exercise its police power, inasmuch as section 808(b) (1) of the bill gives the receiving jurisdiction the right to subject the milk upon arrival to laboratory or screening tests. If the milk fails to comply with bacterial counts, temperature, and composition standards and other criteria of the Federal milk code, the receiving jurisdiction retains the power to reject the milk.

Objection 4: The Federal Government would force States and municipalities to accept milk inspected by other States and municipalities.

Answer: As I have pointed out in the answer to objection 3, the receiving States or municipality would still have the right to reject milk from another area if such milk, when checked upon arrival, did not meet the prescribed standards. I can see no public health reason why one State would object to receiving milk from another State if the milk was of the same or higher quality than that produced in the receiving area. If the State does object to receiving high quality milk from another State, then the objecting State is obviously misusing its health regulations as trade barriers.

Objection 5: The bill would provide for no uniformity of rating.

Answer: The measure authorizes the Surgeon General to establish regulations for the purpose of rating, certification and listing of interstate milk shippers. He would also approve a State plan to provide for reliable ratings; train State and local personnel; and cooperate with State milk sanitation authorities in the development of improved programs for the control of the sanitary quality of milk.

Under this authorization, frequent spot checks would be made of listed shippers; in-service training programs would be conducted for State milk sanitation rating officers; and field observations would be made of State program activities. All of this will enable the Public Health Service to attain a high degree of uniformity among the various State personnel making milk sanitation ratings.

Objection 6: National milk sanitation legislation would nullify the effect of Federal milk marketing orders.

Answer: H.R. 3840 and S. 988 would have no effect on the Federal milk marketing orders issued by the U.S. Department of Agriculture, as these bills are not designed to affect or control or adjust the prices paid for milk.

Objection 7: The bill would require Federal inspection which would duplicate work already being carried out by local authorities.

Answer: This measure clearly states that routine inspection of milk supplies would be made by local authorities, and that the rating of these supplies would be made by the State rating survey officials. This same arrangement is now being successfully carried out under the voluntary interstate milk shippers program. Thus, there would be no duplication of inspection efforts. However,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: House committee voted to report Poage farm bill. Senate committee voted to report multiple use management forest bill. Sen. Dirksen and others introduced and Sen. Dirksen discussed depressed areas bill.

SENATE

1. FORESTRY. The Agriculture and Forestry Committee voted to report (but did not actually report) with amendments S. 3044, to direct that the national forests be managed under principles of multiple use and sustained yield. p. D429
2. WOOL IMPORTS; PROPERTY. The Finance Committee voted to report (but did not actually report) with amendment the following bills: p. D430
H. R. 9322, to extend the existing suspension of duties on certain coarse wool. The "Daily Digest" states that the bill was amended to limit the suspension of duties to 3 years, until June 30, 1963.
H. R. 9881, to extend the existing provisions of law relating to the free importation of personal and household effects brought into the U. S. under Government orders.
3. MILK SANITATION. Sen. Proxmire inserted his testimony before the Subcommittee on Health of the Senate Committee on Labor and Public Welfare in support of S. 988, to provide for Federal regulation of milk sanitation standards. pp. 9746-9
4. FOREIGN AID. Sen. McGee inserted a letter from the President, University of Wyoming, discussing the participation of the University in the foreign aid

program in Afghanistan, including activities in vocational agriculture, agricultural research, and in the faculty of agriculture and engineering. pp. 9749-50

5. PERSONNEL. Sen. Keating inserted the testimony of Marion B. Folsom before the Senate Subcommittee on National Policy Machinery in support of conflict of interest proposals for Federal employees, and presenting "a series of important proposals to help attract topnotch people into Federal work." pp. 9751-3
6. ELECTRIFICATION. Sen. McCarthy commended the work of REA on its 25th anniversary. p. 9760

HOUSE

7. FARM PROGRAM. The Agriculture Committee voted to report (but did not actually report) H. R. 12261, to amend the Agricultural Adjustment Act of 1938 with respect to market adjustment and price support programs for wheat and feed grains and to provide a high-protein food distribution program. p. D432
8. ELECTRIFICATION. The Rules Committee reported a resolution for consideration of H. R. 1157, to provide for the promotion of economic and social development in the Ryukyu Islands. p. 9869
10. LIBRARY SERVICES. The Education and Labor Committee reported without amendment H. R. 12125, to amend the Library Services Act so as to extend for 5 years the authorization for appropriations (H. Rept. 1622). p. 9869
11. RECLAMATION. Passed with amendments H. R. 7155, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, Calif., and to enter into an agreement with Calif. with respect to the construction and operation of such unit. This passage was subsequently vacated and S. 44, a similar bill, was passed in lieu thereof after being amended to contain the language of the House bill (pp. 9798-9811). Agreed to an amendment to prohibit the production of surplus agricultural commodities on lands irrigated by this project (p. 9799), and one to retain the 160-acre limitation on ownership in this project (pp. 9801-5).
The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 1892, to authorize the Secretary of Interior to construct, operate, and maintain the Norman reclamation project, Okla. p. D433
12. INFORMATION. The Foreign Affairs Committee voted to report (but did not actually report) S. Con. Res. 75, providing for the participation by Federal agencies in the Fifth International Congress on High-Speed Photography. p. D433
13. PROPERTY. The Government Operations Committee voted to report (but did not actually report) H. R. 9996, to amend the Federal Property and Administrative Services Act of 1949, to prescribe procedures to insure that foreign excess property which is disposed of overseas will not be imported into the U. S. to the injury of the economy of this country. p. D433
14. LIMESTONE. Rep. Sisk inserted a speech made by Mr. G. H. Enfield, Extension Agronomist, USDA, urging the limestone producing industry to increase their sales programs to the farmers in an attempt to increase productivity on acid soils. pp. 9831-3

bers of the House of Representatives at that time that they did not see how it was possible to justify and could not vote for admitting Alaska with only a little more than 200,000 people, when the great State of New York with 15 million people had only two Senators. But those arguments were not made by the two Senators from New York, one of whom, Senator JAVITS, was in the Senate and the other Senator KEATING, in the House at that time. Both of them voted for statehood, thus showing that they took a broad national view which extended their interest from the East coast far into the Pacific to America's farthest western and northern terrain. In doing so they demonstrated that they fully appreciated the great value to our entire Nation of the admission of the 49th State. They saw the great value in extending the frontiers of democracy to within naked-eye view of the Soviet police state. They rose above the purely parochial argument based upon the disparity in population, between New York State and Alaska, understanding fully, as some other Members of Congress did not, that had the policy been followed from the very beginning to admit no new State whose population was smaller than those which were already in the Union, we would still be a nation of 13 States strung along the Atlantic seaboard. I am happy to join in congratulations and best wishes to my colleagues from the Empire State and to applaud their statemanship on the Alaska and Hawaii statehood issue and on other issues of national importance since that time.

SUPPORT OF THE PRESIDENT

Mr. ALLOTT. Mr. President, I think that one of the striking events which has occurred in this country in the last few days is the heart-warming support of the President evinced by his countrymen. The insertion in the RECORD a few moments ago by the Senator from North Dakota [Mr. MUNDT] of the record of spying in this country by Russian spies, Stalin spies and Khrushchev spies, should make every American aware that we are not living in a world of fantasy. We are living in a world of realism, and we also have to engage in a program of realism if we are to protect ourselves.

Mr. President, I hope that every Member of the Senate, as well as other Members of the Congress, who can possibly do so, will be present to welcome the President when he reaches home and to express the unity behind the President which the leaders of the Senate on both sides of the aisle have so well expressed. This is a serious time, but I believe the unity of the people of the United States has never come closer to being a oneness than it has today. I hope it will continue.

AMENDMENT OF MOTOR VEHICLE SAFETY RESPONSIBILITY ACT OF THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 2131), Calendar No. 1267.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 2131) to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, as amended.

THE B-70 WEAPONS SYSTEM

Mr. CANNON. Mr. President, within recent days we have seen the hopes of the world for peace dashed by the impetuous and irresponsible tirades of Mr. Khrushchev at the Paris summit conference.

Instead of moving in the direction of disarmament and an easing of the tensions, we find to the distress and disappointment of the free world that we and the Russians are entering a period of even greater intensified cold war maneuvers in which the gravest consequences may be anticipated.

The question that seriously concerns me in that connection is, again, the adequacy and confidence that we can place in our Defense Establishment.

This body has heard prolonged and able debate by the junior Senator from California [Mr. ENGLE], by the junior Senator from Missouri [Mr. SYMINGTON], and others concerning the attributes and superiority of the B-70 bomber.

The Senate, Mr. President, has also heard that our danger point in our military security will occur in the next few years during which we are attempting desperately to close the missile gap.

I find it indefensible for the administration to have cut the \$365 million B-70 budget approved by Congress last year to a figure of only \$150 million this year. And I note with grave concern that the administration advocates an expenditure of only \$75 million for fiscal 1961, when the amount for the B-70 should have been \$463 million for fiscal 1961.

Where does this type of fiscal juggling of our military defenses place this country?

To me, it means that by the middle of this decade, we will have not a fleet of some 60 or more B-70 bombers capable of almost instantaneous arrival at a troubled area and capable of penetrating any known defense the Russians now have. But what we will have will be a mere prototype, an experimental model, which will not assure us that we can do what has to be done.

This will not, Mr. President, accomplish what many of our outstanding military leaders and congressional experts claim we should have at that critical time.

Therefore, I urge my colleagues in the Senate and Americans everywhere who are concerned with national defense to reexamine our vulnerability, to reexamine the scuttling of the B-70 program, and I am sure they will come to the conclusion that this country cannot afford to risk placing all of our confidence in the B-47's and B-52's of the Strategic Air Command and fixed, above-ground ICBM bases, together with Polaris, which may, in fact, be inadequate to a task which may come to them within the next few years.

Without the B-70 in our free world arsenal, our security would be doubtful. We could not, for example, place utmost confidence in our ICBM's, and we could not forever rely on the Strategic Air Command's present inventory.

This airplane, if we provide for its production now, would be the only recallable weapon that would be in our inventory even after all of our missiles are in place. Flying overhead even as a diplomatic weapon, it could be incalculable visible evidence of the military strength of this country.

It offers for us a weapon which could be directed toward the Soviet Union within minutes, and would require the U.S.S.R. to divert untold resources in manpower and treasure in seeking to provide a defense against the B-70. It is the one weapon that I feel would be exclusive to our inventory and which the Russians would not be capable of matching for some time.

The B-70 program, in my opinion, should be speeded up and placed on a crash program basis if that is what it will take to deliver these excellent airplanes at the earliest possible moment. To my mind, it represents an insurance policy which this country cannot afford to take lightly.

I hope that my colleagues in the Senate will weigh the evidence that has been presented in favor of the B-70 weapons system, and reexamine the contribution this system is ready to make to our defenses before unthinkingly subscribing to the administration policy that it is something we can do without.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 18, 1960, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 684. An act for the relief of Gerald Degnan, William C. Williams, Harry Eakon, Jacob Beebe, Thorvald Ohnstad, Evan S. Henry, Henry Pitmatalik, D. LeRoy Kotila, Bernark Rock, Bud J. Carlson, Charles F. Curtis, and A. N. Dake;

S. 2317. An act for the relief of Mary Alice Clements;

S. 2523. An act for the relief of Harry L. Arkin;

S. 2779. An act relating to the election under section 1372 of the Internal Revenue Code of 1954 by the Augusta Furniture Company, Inc., of Staunton, Va.;

S.J. Res. 166. Joint resolution authorizing the Architect of the Capitol to permit certain temporary and permanent construction work on the Capitol grounds in connection with the erection of a building on privately-owned property adjacent thereto.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. CANNON. Mr. President, I move that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 38 minutes p.m.) the Senate adjourned until tomorrow, Thursday, May 19, 1960, at 11 o'clock a.m.

House of Representatives

WEDNESDAY, MAY 18, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Timothy 4: 17: *The Lord stood with me, and strengthened me.*

Eternal and ever-blessed God, who alone can make us equal to every untoward circumstance and every bitter calamity, wilt Thou give us a sense of security and strength as we walk a dim and shadowy way whose meaning our finite minds cannot comprehend.

Grant unto us the chivalry and courage of a strong faith which is confident that our anchor will hold no matter how fiercely the storms of adversity may rage and that out of the welter of world tragedy there will emerge a new and nobler era for all mankind.

Hear us as we daily pray that the nations of the earth may be drawn into a closer and deeper fellowship with one another, possessing the same passionate strivings after peace and righteousness and inspired with the same earnest longings to be comrades in the doing of Thy will.

In the name of our blessed Lord we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

Mr. McCORMACK (after the Committee on the District of Columbia was called). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. The Committee on the District of Columbia was called. The next committee in order today or any future day when action is taken under Calendar Wednesday would be the Committee on Education and Labor.

The SPEAKER. That is correct.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further proceedings under the call of Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. PATMAN. Mr. Speaker, reserving the right to object, has the Committee on the District of Columbia been called and passed?

The SPEAKER. The committee has passed.

Mr. PATMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

CORRECTION OF ROLL CALL

Mr. MUMMA. Mr. Speaker, on roll-call No. 92 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and the Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HIGHWAY INVESTIGATION

(Mr. MUMMA asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MUMMA. Mr. Speaker, the May 21 issue of Labor, a periodical put out by the railway labor organizations, devotes an article to the current highway investigation of the Roads Investigating Subcommittee.

It uses the words "shocking, biggest scandals, fantastic," and so forth, and borders on the overly enthusiastic use of the spectacular. The writer of that article further professes agony and attempts to malign all the railroaders against new highways despite the fact they might use them in their daily travels to and from work or just for the fun of Sunday driving.

However, for myself, speaking as a member of that subcommittee, I think the writer could not have been present at the hearings and heard all the testimony. I have been in the supply and materials and contracting business and feel qualified to pass on this subject. You know, the parallel that comes to my mind about this situation in Oklahoma is something like a bank clerk being in collusion with the vice president of a bank—how long does it take the president or board of directors to find out something improper had been going on—perhaps until the Federal bank examiner comes around and uncovers the mess, if he is lucky and the bank clerk and board of directors do not attempt to conceal the dereliction from the examiner, which is the sort of thing which happened in the Oklahoma case.

To attribute the program as being full of corruption because of the Oklahoma incident is gross injustice to the rest of the highway construction program and untrue.

COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Louisiana [Mr.

WILLIS] I ask unanimous consent that Subcommittee No. 3 of the Committee on the Judiciary may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CORRECTION OF ROLL CALL

Mrs. KEE. Mr. Speaker, on roll-call No. 92 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentlewoman from West Virginia?

There was no objection.

Mr. MURPHY. Mr. Speaker, on roll-call No. 92 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SAN LUIS UNIT OF THE CENTRAL VALLEY PROJECT

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7155) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 94]

Alexander	Durham	Murray
Allen	Forand	Pillion
Baring	Gavin	Powell
Blitch	Gilbert	Preston
Bonner	Green, Oreg.	Roberts
Brown, Mo.	Hobert	Rogers, Tex.
Buckley	Jackson	Santangelo
Cannon	Johnson, Colo.	Scott
Celler	Kilburn	Short
Chelf	Landrum	Smith, Kans.
Davis, Tenn.	Mitchell	Taylor
Dawson	Morris, Okla.	Walter
Diggs	Moulder	Williams

The SPEAKER. On this rollcall 393 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SAN LUIS UNIT OF THE CENTRAL VALLEY PROJECT

The SPEAKER. The question is on the motion offered by the gentleman from Colorado [Mr. ASPINALL].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7155, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 1, ending on line 21, page 3 of the bill.

If there are no amendments to this section, the Clerk will read.

Mr. HEMPHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEMPHILL: On page 3 at end of line 21 insert new paragraph to be known as paragraph (b) to read as follows:

"No water provided by the Federal San Luis unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity as estimated by the Secretary of Agriculture for the marketing year in which the bulk of the crop would normally be marketed and which will be in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary calls for an increase in production of such commodity in the interest of national security."

Then renumber the first paragraph as section 1(a) and renumber other sections accordingly.

(Mr. HEMPHILL asked and was given permission to revise and extend his remarks.)

Mr. HEMPHILL. Mr. Chairman, the purpose of this amendment is to keep within some reason this particular authorization bill. This is similar to the language which is contained in the Senate bill, although not identical. The language contained in the Senate bill, we find here, had some technicalities as to what marketing year would be involved. All this does is to say that we are not going to here authorize the use of water to promote further surpluses, and we take the basic crops, which are cotton, wheat, tobacco, rice—I believe corn has been included on a different formula—and say that the irrigation districts or the water districts cannot contract for the use of this water on this new land, if there is any new land irrigated—and I assume there will be—to provide more surplus crops.

Now, I might say to the gentleman from California, if he will give me his attention, that I would like for him to answer for me at this time a question

about the cotton acreage production in this particular area. As I understood the gentleman from California yesterday in reply to the gentleman from North Carolina, the gentleman from California assured the gentleman from North Carolina that despite the fact that the committee report said that there were 132,000 acres of cotton, the result of this particular legislation, if enacted, would be to reduce the cotton acreage.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from California.

Mr. SISK. In answer to the question yesterday, I stated that rather than increasing any acreage in cotton, it definitely would reduce the acreage. Of course, I am basing that on actual, practical knowledge of the area and what will happen once we develop and get some sweet water; pure water, that will grow fruits and many other things that the present water will not grow due to the chemicals within that water. The particular material referred to in the report was taken from the original Bureau of Reclamation report, and apparently the assumption was there that certainly the acreage would not increase. It is my opinion, and it was testified before our committee at length by a great many people farming in the area, that cotton acreage would go down substantially and grain acreage, as such probably would disappear, because it is much more feasible economically to produce vines—that is, grapes and fruits of various types—nuts and many of the other specialty crops in this semitropical area than it is to produce things like grain or cotton which we are forced to do now because of the chemicals in the water which we are pumping from the deep wells.

If the gentleman will yield further, let me say this: So far as I am concerned, I am happy to accept his amendment. I realize that many times people in some of the areas would prefer not to have this language, feeling that it might cause some problem. However, I am in complete agreement with him; under no circumstances do I want to see, and I believe no one in California wants to see any increase in production of crops that are in surplus. It is my firm conviction, as I think it is that of the people of California, that what we would be permitted to do here under diversification is to reduce production substantially. On that basis I am happy to accept the amendment offered by the gentleman from South Carolina.

Mr. HEMPHILL. I thank the gentleman from California. I might say to the gentleman that it does not make sense to us to pay people to take cotton land out of production in one part of the country and then legislate to put land into cotton production in another part of the country. It does not make reason, although I recognize that in our agricultural approach in this country the rule of reason is not the rule of the Department of Agriculture.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I am glad to yield to the gentleman.

Mr. SAYLOR. I should like to say the amendment the gentleman has offered has materially strengthened this bill; it has improved it. I want to commend him for offering this amendment.

Mr. HEMPHILL. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. HEMPHILL] has expired.

(Mr. HEMPHILL asked and was given permission to proceed for 2 additional minutes.)

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I am glad to yield to the gentleman.

Mr. HOEVEN. I think the gentleman's amendment makes a lot of sense and I certainly shall support it.

Mr. HEMPHILL. I thank the gentleman. I might say to the gentleman that the junior Senator from California made the statement in the other body on the 12th day of May that the effect on the basic crops that would be affected in this area would be to reduce production and acreage. They want the land for the production of vegetables and other crops of that kind. I appreciate the support given me in protecting the growers of our basic crops. They are limited now by acreage allotments. My amendment provides that this bill shall not jeopardize those allotments and the water will not be used to increase surplus crops.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. HEMPHILL].

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956. Said agreement shall recite that the liability of the United States thereunder is contingent upon the availability of appropriations to carry out its obligations under the same. No funds shall be appropriated to commence construction of the San Luis unit under any such agreement, except for the preparation of design and specifications and other preliminary work, prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after it has been submitted to the Congress, and then only if neither the House nor the Senate Interior and Insular Affairs Committee has disapproved it by committee resolution within said ninety days. If such an agreement has not been executed by January 1, 1962, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided*, That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety

days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as is otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State shall agree that, if it later enlarges the joint-use facilities, or any of them, it will pay an equitable share of the cost to the United States of those facilities as initially constructed before utilizing them for the storage or delivery of water and will bear the entire cost of enlarging the same and if, as a part of said equitable share, it makes available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity: *Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation of the project for the purposes set forth in section 1 of this Act and the use of the additional capacity for water service shall be limited to service outside of the Federal San Luis unit service area: *And provided further*, That this right may be relinquished by the State at any time at its option.

SEC. 3. The agreement between the United States and the State referred to in section 2 of this Act shall provide, among other things, that—

(a) the joint-use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (1) immediate integration and coordinated operation with the State's water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (2) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith;

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint-use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint-use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint-use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction cost of the joint-use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint-use facilities;

(f) the rights to the use of capacities of the joint-use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the Federal San Luis unit service area;

(g) the Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) notwithstanding transfer of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939, and amendments thereto, for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue to be subject to the same limitations and obligations and to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1) in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), as amended, the features of the unit to which such allocations is attributable shall, notwithstanding transfer of the care, operation, and maintenance to the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised and, upon failure so to operate and maintain those features, the amount allocated thereto shall become a reimbursable cost to be paid by the State;

(j) the State shall not serve any lands within the Federal San Luis unit service area except as such service is required as a consequence of its acceptance of the care, operation, and maintenance of works under paragraph (g) of this section.

Mr. BALDWIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN: On page 10, following line 10, insert following new section: section 4:

"If the Secretary proceeds to construct, operate, and maintain the San Luis works under the terms of section 1 of this Act solely as a Federal project, the operation shall be subject to the following restriction:

"Whenever the chlorides in the water at the head of the Delta-Mendota Canal exceed 150 parts per million during the months of July, August, or September, the mean daily diversion from the Sacramento-San Joaquin Delta to San Luis unit via Tracy pumping plant and Delta-Mendota Canal as measured at the San Luis pumping plant shall not exceed the mean daily import to the Sacramento Valley from the Trinity project."

Renumber the remaining sections of the bill.

(Mr. BALDWIN asked and was given permission to revise and extend his remarks.)

Mr. BALDWIN. Mr. Chairman, the purpose of this amendment is to protect the Sacramento-San Joaquin Delta from undue infiltration of salt water during the summer months. This amendment provides that in the event the chlorides in the water at the head of the Delta-Mendota Canal exceed 150 parts per million during the months of July, August, or September, the mean daily diversion from the Sacramento-San Joaquin Delta to the San Luis unit via Tracy pumping plant and Delta-Mendota Canal as measured at the San Luis pumping plant shall not exceed the mean daily import to the Sacramento Valley from the Trinity River project, which shall be defined as the mean daily release from Whiskeytown Reservoir. The effect of this amendment would be to bar any pumping of water from sources which are natural to the Sacramento-San Joaquin Delta in the event chlorides exceed 150 parts per million at the head of the Delta-Mendota Canal. Since the Trinity River project will introduce additional water into the Sacramento River channel which is not natural to the Sacramento-San Joaquin Delta, the residents of the delta would have no riparian rights as to the Trinity River water and, therefore, they would have no legal right to endeavor to bar the use of this Trinity River water in the San Luis project, even during the summer months of July, August, or September. However, this amendment would recognize the right of these residents of the delta to bar pumping in the San Luis project of waters which are natural to the Sacramento-San Joaquin Delta such as the water from the Shasta Dam, Folsom Dam, Monticello Dam, and other similar dams on tributaries of the Sacramento and San Joaquin River, whenever the chlorides exceed 150 parts per million at the head of the Delta-Mendota Canal. This amendment will give protection to the residents of the delta from undue salinity infiltration.

Since it has been stated both in the committee report on H.R. 7155 and in the floor debate that the primary period during which water will be pumped into the San Luis project will be during the winter months, this amendment should have no adverse effect whatsoever on the operation of the San Luis project.

I urge the adoption of this amendment.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. SISK. I appreciate very much the problem the gentleman has in the area he represents, and I am fully cognizant of the problem he seeks to solve to be sure it does not recur. I am completely in accord with the position he takes. Therefore, I personally am very happy to accept the amendment the gentleman is offering.

Mr. BALDWIN. I thank the gentleman.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I am happy to accept the amendment. It will relieve a situation which is worrying the people in the area the gentleman represents.

Mr. BALDWIN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contracts the terms of which are as nearly similar as is practicable to those required by the Federal reclamation laws in the case of irrigation repayment or service contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925; 43 U.S.C. 523).

SEC. 5. The Secretary is directed to plan the works authorized in this Act in such a manner as to contemplate and make possible the future provision of Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties heretofore anticipated as a possibility by the Acts of December 14, 1949 (63 Stat. 852) and August 27, 1958 (72 Stat. 937). Construction of additional works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary, and the works have been authorized by Act of Congress.

With the following committee amendment:

Page 11, line 9, strike out "December" and insert "October".

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 6. The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be nonreturnable and nonreimbursable under the Federal reclamation laws.

Mr. ASPINALL. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: On page 11, line 20, strike "such" and insert "such".

The amendment was agreed to.

The Clerk read as follows:

SEC. 7. The provisions of the Federal reclamation laws shall not be applicable to water deliveries or to the use of drainage facilities serving lands under contract with the State to receive a water supply, outside of the Federal San Luis unit service area described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956.

Mr. ULLMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ULLMAN: On page 11, after line 22, strike out lines 23 and 24, and on page 12 strike out lines 1 through 5.

Mr. ULLMAN. Mr. Chairman, this is the amendment to strike out section 7 of the bill. I want to state at the outset, I am in favor of this project. It is an excellent project. It is one that is very greatly needed to develop fully the limited water resources of this area. But I want to explain something about this project. This is a joint undertaking, an undertaking between the Federal Government and the State of California. It has taken many months and many years of negotiations between the two groups in order to find some area of agreement in which they can go forward and develop these water resources. In this bill which is before you, they have arrived at partial agreement, an agreement only to this limited extent, it provides that at some time in the future, an arrangement shall be worked out between the State of California and the Federal Government as to the joint construction and operation of the San Luis project.

Mr. Chairman, I am willing to go along with this concept because I think this is probably the only way we can proceed in order to get the water resources properly developed. But I am very much interested as I know my colleagues are in protecting the basic reclamation law, the practices and the safeguards governing reclamation that we have built up over these many years. I am particularly concerned about preserving the 160-acre limitation in this project. When the Federal Government spends money, the money of all the people of the Nation, to develop a reclamation project, the benefits should be spread as broadly and as widely as possible and we should be particularly careful that no large landowners or special interest gain special enrichment. That, in effect, is what this amendment says. Now this is a sound provision. It is one that the people of America have insisted upon all through these years. Section 7 would, in effect, say that the portion of the project that is beyond the Federal service area should not be subject to this limitation. Due to the vagueness of the Federal-State relationship and due to the fact that no agreement has been worked out, this, in effect, becomes a Trojan horse section—it opens wide doors to special privilege.

There are tremendous landholders here who are very much interested in getting all the benefits they can from this project. If we leave this section in the doors are open to circumvent the basic reclamation laws and the 160-acre limitation. The issue is this: Shall Federal benefits and Federal safeguards follow Federal investment? I am not here to tell you that we should try to superimpose upon the State all of our Federal requirements. All I say is that Federal benefits should follow Federal investments. If we leave out section 7, you have a complete bill. This provision was not included in the original legislation. Our committee experts say the section is surplusage. The only reason I can determine why it was put in the bill is because there are large landholders in the area who want to gain special privileges.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield.

Mr. ASPINALL. Does not the gentleman from Oregon remember the discussion that took place in committee, to the effect that this was a part of the agreement between the northern and southern interests in California, and that they were supposed to be in agreement? This section 7 came before our committee and was treated by our committee as a part of the understanding between the interests in the State of California. The gentleman also understands, I think, that the committee on which he serves, the Committee on Interior and Insular Affairs, is not desirous of having these intrastate quarrels thrashed out on the floor of the Congress of the United States.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent that the gentleman from Oregon may be permitted to proceed for another 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. So it does follow that this language is in this bill for a purpose; that is, to show that wherever there is a State interest involved, if the State facility is paid for entirely by State funds, then the Federal law should not be applicable to that particular project or part of a project?

Mr. ULLMAN. Certainly what the gentleman has said is true. But this particular provision is one on which landholders and interests in the southern California area were particularly insistent. It has been said repeatedly on the floor that this section is redundant, that you do not need this language in the bill in order to carry forward the purposes of the act. It has been said repeatedly that this does not change the reclamation law. If it does not change the reclamation law, then why is it in the bill? I have grave fear, and many others join me in that fear that this section will be the vehicle to circumvent the 160-acre limitation. Why would there be this great fight over this section unless somebody had a great deal to gain?

The proponents of the section have said: "We do not want it to get into the

courts." I say: "What do you have to fear from the courts if you are not changing reclamation law?" If it does change the reclamation law, then we should analyze that change on its own merits. This the committee has not done. If it does not change the reclamation law, it has no business in this bill. It is surplusage. There is no question of States rights here. On page 8, it says:

The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the Federal San Luis unit service area.

We are not attempting to foist anything upon the State. All we want to do is to safeguard our Federal investment. Make sure we maintain the safeguards on the Federal investment.

I hope my colleagues will concur in this amendment. The other body took several days to debate this issue. They finally struck this section out, and I am sure those who want this bill will vote to strike this section and allow the bill to become law.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield.

Mr. GEORGE P. MILLER. I want to congratulate the gentleman. Fourteen or fifteen years ago this was a hot issue. It defeated a Democratic Senator for reelection from our State. The very associations and groups who are now advocating the repeal of the land limitation clause of the reclamation law are the same ones who were advocating its repeal then. You can tell me all you want to that there is not something to be gained by keeping section 7 in the bill. I do not believe it. The ones who are trying to retain it are the prototype of those who have been against the 160-acre limitation clause for the past 30 years.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield.

Mr. ROOSEVELT. I, too, want to congratulate the gentleman on his statement, and particularly because I come from southern California. I want to say, very frankly, I believe that if there was not something that some very special groups could see to their advantage from retaining this provision in the bill, I do not think it would be in. I can see no harm in taking it out. I do not believe in any way it will jeopardize the sale of bonds on the California project. I earnestly support the gentleman in what he is saying.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield.

Mr. BURDICK. Mr. Chairman, I wish to compliment the gentleman and rise in support of the amendment.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the amendment.

(Mr. HOSMER asked and was given permission to revise and extend his remarks.)

Mr. HOSMER. Mr. Chairman, the best that can be said of the arguments thus far made in favor of the pending amendment is that they are in error. What we have here is not one project, but two separate projects: One project

to serve roughly half a million acres in Mr. SISK's area, the central Joaquin Valley, California, out of the Federal project; and in addition to the project to serve Mr. SISK's area we have a separate State water project.

Both of these projects, because of the geographical facts of life in California, have to occupy the same reservoir site in order to store their water; so we got together on building a dam at the San Luis site, which is the only available site that will hold both State water and Federal water. They are each going to put their own water into it; they are each going to take their own water out of it. There is a sharing of the costs, the State is paying its fair share and the Federal Government paying its share to construct this reservoir. I do not see why any Federal law should be imposed upon the water produced by the State any more than there is any reason why State law should be imposed on the Federal project. If anybody reads the Constitution and believes we have State governments and a Federal Government he should realize that this is a matter of States rights, and there should be no interference from the Federal Government.

Why do the people from southern California want this section 7 left in if the report says it is surplusage? Insofar as our committee and the Congress is concerned it is surplusage, but from the California State standpoint it is not surplusage. They look at it from the standpoint of removing the possibility of long litigious lawsuits over the next 20 years which will delay the project while those lawsuits are being carried through the various courts, and which would keep this arid and thirsty area from getting the water it needs for many years. I ask that it be kept in for that reason, and I ask that it be kept in for the additional reason that it will make it impossible for certain areas in Kern County to join in with the State-financed plan; and, as a consequence, the people further south who must take this water and use it in their factories, their homes, and their industries will have, by themselves alone, to build the conduit to carry this water up over the mountains and down into the valleys, a very, very expensive job. It will increase the cost to our workers and to our industries and to our homes unmercifully if we have to do this. So that is the second reason we wish to have this in.

The third reason, of course, is to avoid the delay in getting the bond issue, because you cannot issue State water bonds and get a financial house to float them while there is litigation pending. This particular section 7 spells out here once and for all what is a fact, that the Federal reclamation law does not interfere with the State project, and removes the possibility of carrying this thing up through the courts of the land through the course of some 20 years, with the consequent delay of getting water service to our people.

The most zealous protector of the 160-acre limitation that we know of in this land, the National Reclamation Association, under date of yesterday advised each and every one of the Members of

this body that it recommends retention of section 7. Of course, its recommendation is based on the very reasons I have given.

In closing its memorandum to the Congress, the National Reclamation Association said this:

The San Luis project is urgently needed. Your support for the bill, H.R. 7155, with section 7 included, would be very greatly appreciated.

That comes from the most zealous protector of the 160-acre limitation in the country. They know and they understand this situation, and they recommend that the amendment before you be defeated. They recommend it in the interest of the maximum use of water in this water-short land of ours, they recommend it in the interest of the progress of the West and thereby in the interest of the progress of the rest of the Nation. They realize that the arguments upon which the amendment before you is based are fallacious. They have analyzed the matter and they say to the Congress of the United States: "Act sensibly, keep section 7 in there, permit the project to go ahead as it should go ahead on a sound basis, recognizing the difference in jurisdiction between the State and Federal Government and if a 160-acre limitation is proper in the State area, let the State impose it."

Mr. COHELAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I speak in support of the amendment offered by the gentleman from Oregon [Mr. ULLMAN] to delete section 7 from the San Luis bill.

Debate yesterday and today has opened up the question with which this amendment is concerned, namely, the question of how Federal reclamation law shall apply to a project of this unique nature which involves joint Federal and State investment. Let me reiterate that this is a unique problem because it is a joint Federal-State project that we are planning at San Luis.

Normally, Federal reclamation law would apply to a federally constructed reclamation project. Normally, it would be a unique problem because it is a joint not apply to a State-constructed project. But this is a joint Federal-State project and the entirely honest and legitimate question of how reclamation law shall apply here arises.

The bill in the original form proposes to answer this question simply by stating that water taken from the San Luis Reservoir to be used in the Federal Central Valley project shall be subject to Federal reclamation law and that water taken from the reservoir for all other purposes shall be specifically freed from Federal reclamation law. It is section 7 which states this latter provision.

This formula is unacceptable. It ignores the all-important fact that Federal reclamation law has traditionally been stated not in terms of where water is used, but in terms of the facilities through which it is developed. There can be no question about it. Title 43 of the United States Code, section 523, reads:

Water impounded, stored, or carried in Federal reclamation facilities shall be subject to Federal reclamation law.

Because this formula is unacceptable—the formula set forth in the present bill in its section 7—we should delete it as proposed in the Ullman amendment.

The fact is that waters to be accumulated in the San Luis Reservoir will have been developed elsewhere in the various mountainous regions of the State of California and will have been regulated and controlled by such facilities as Shasta Dam, Keswick Dam, Nimbus Dam, Folsom Dam, and others—all projects constructed with Federal funds. Then, on top of that, at San Luis itself, these waters shall have been stored in another facility dependent upon Federal funds. Let us not forget that the San Luis Reservoir substructure will be entirely a Federal project. If the State of California does, in the final instance, participate to make the San Luis Reservoir a joint Federal-State project—if it does, it will add to the basic Federal substructure.

Now, it is not my contention that the Federal reclamation law should apply to waters developed entirely by the State of California. What I am saying is that the definition of so-called State waters included in this legislation in its section 7 is simply not correct. In direct conflict with Federal reclamation law, the language of this section would set as a basis for the application of the law the standard of where it is to be used. Instead, the law traditionally applies on the basis of what facilities are used to develop and accumulate the water.

Clearly, then, section 7 of this measure is a device to bypass and confuse existing Federal reclamation law. It should, therefore, be removed.

I take issue with my good friend and colleague from the 14th District of California [Mr. HAGEN] who yesterday suggested that those of us who oppose the formula provided in section 7 should themselves offer clarifying language.

On the contrary, it is plain enough on the face of it that those who propose to bypass Federal reclamation law by putting forth this kind of formula, when their proposals are called to light and criticized, must then themselves suggest an alternative—presumably one more in line with traditional reclamation principles. Furthermore, if they cannot offer an acceptable alternative, I believe we have no choice but to strike section 7 from this measure and leave a final determination of the question to the courts.

I think it remains only to be pointed out once again that the result of passing this bill without cleaning up the matter of Federal reclamation law can only be unjust enrichment of the various large land owners who will benefit by receiving water from facilities built in some substantial degree with Federal tax revenues.

I urge strongly that our colleagues support the Ullman amendment, because, in doing so, we will be preventing the bypassing of Federal reclamation law. Then, with this question answered, we can join in supporting the San Luis project which is so vital to the State of California and which, in its large purposes, has my full support.

(Mr. HEMPHILL, Mr. COHELAN, and Mr. YOUNGER asked and were given permission to revise and extend their remarks.)

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to state at the outset that I was not in Congress at the time when my colleague from California waged his fight, and I am one of those who wants to retain section 7, and I was not a part of that fight. Nor does this San Luis project deliver any water to our particular section.

Mr. Chairman, I am in favor of retaining section 7 for three fundamental reasons; three. In the first place, this is the first joint reclamation project that we have had. Every time we have something in which the State participates it is a question: If the Federal Government puts some money in it, are they going to control? I think we ought to make clear so as to encourage other States to participate in reclamation that if they do participate with the Federal Government, there is no intention on the part of the Federal Government because they put some money in it to control the water that comes out of a joint project. And, you can only do that by keeping section 7 in so that the intent of Congress is known.

Second, this fear of the 160-acre limitation certainly ought to have no bearing here, because the organization that represents that group, the National Reclamation Association, is for retention of section 7. I am sure that the gentleman from Oregon [Mr. ULLMAN] believes in the National Reclamation Association; is that not true?

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman.

Mr. ULLMAN. I would say to the gentleman that the National Reclamation Association generally represents large landowners. The National Grange, the National Farmers Union, and the labor organizations represent a great many taxpayers. Those organizations are all against section 7 and are supporting my amendment.

Mr. YOUNGER. I am very happy that the gentleman brought that up, the tax question, because it brings me to the third part, to my mind, the important part of this proposal, and that is the payer. Who is going to pay for this project? In my opinion, the people who are going to pay for this project are the ones whose attitude and whose recommendation we should pay some attention to. I have here a letter which I think most Members have received from the Feather River Project Association. Let me read from this the names of the associations which are joined here and want to keep section 7 in:

Partial list of California counties, agencies, organizations, and associations which have officially declared their support of the provisions of section 7 of H.R. 7155 (Sisk), a bill to authorize the Federal San Luis unit, Central Valley project, California: Irrigation Districts Association of California (represents 190 water districts in California), Metropolitan Water District of Southern California, Antelope Valley-East Kern Water Ba-

sin Association, Eastern Municipal Water District, Riverside County Water Association, Santa Ana River Water Association, San Bernardino County Supplemental Water Association, Chino Basin Municipal Water District, Mojave River County Water District, Mojave Water Agency, Mojave Desert Soil Conservation District, San Bernardino Valley Water Conservation District, California Farm Bureau Federation, Kern County Farm Bureau, San Bernardino County Farm Bureau, Imperial County Farm Bureau, Kern County Board of Supervisors, San Bernardino County Board of Supervisors, League of Women Voters, Los Angeles Chamber of Commerce, Bakersfield Chamber of Commerce, and Feather River Project Association.

Southern California Water Coordinating Conference, which includes members representing the following: San Antonio Water Co., Southern California Water Co., Santa Fe Irrigation District, Calleguas Municipal Water District, Eastern Municipal Water District, Southern California Water Works Association, Western Municipal Water District, Metropolitan Water District, Orange County Water District, Buena Colorado Municipal Water District, California Water & Telephone Co., Central Basin Municipal Water Association, Orange County Municipal Water District, Compton Municipal Water District, San Diego County Water Authority, Orange County Municipal Water Authority, Palm Springs Water Co., San Bernardino Valley Municipal, Municipal Water District, United Water Conservation District, Ventura River Municipal Water District, Chino Basin Mutual Water District, Fallbrook Public Utility District, Riverside County Water Advisory Commission, Inglewood Water Department, Long Beach Water Department, Coachella Valley County Water District, and Oceanside Water Department.

I think if we pay attention to the people who are paying the bill, we will leave in section 7.

Mr. HAGEN. Mr. Chairman, I move to strike out the last word.

(Mr. HAGEN asked and was given permission to revise and extend his remarks.)

Mr. HAGEN. Mr. Chairman, it pains me to disagree with my good friends, the gentleman from California [Mr. COHELAN] and the gentleman from Oregon [Mr. ULLMAN], for whose motivation I have the highest regard. I just think they are wrong in this instance and I hope that Members listening will vote for or against this amendment on the basis of fact and logic rather than on the basis of emotion or the identity of persons on one side or the other of this question.

Section 7 in the bill was worked out very carefully with the author of the bill, the gentleman from California [Mr. SISK], and representatives of the Governor's office in California, and at no time was it ever stated that there was any intention to change Federal reclamation law. I am certain if that were the case the gentleman from California [Mr. SISK] would not have included it in his bill, because he has stated repeatedly that he supports Federal reclamation law.

Therefore, there is a disagreement only over the question of whether or not section 7 accomplishes more than we seek to accomplish, to wit, a clear statement of the presently prevailing interpretation of reclamation law applied to the facts of the San Luis project. If we want to label this section 7 which we

seek to retain in the bill, it might be described as the antibarratry section, the States rights section, the prevention of litigation section, the clarity and equity section; any one of these phrases would fit it. It merely states what we consider the prevailing opinion to be with respect to current Federal law as applied to the facts which will be represented in the joint undertaking of the San Luis and the Feather River projects. The Congress has often codified and stated existing law in the interest of clarity and the interest of convenience. That is all we are asking you to do in the case of section 7. We agree that the state of the law is exactly as would be obtained under section 7, but we can foresee, perhaps, that some court 10 years from now might disagree with our interpretation unless the Congress says that this is the law.

Further, there is a very practical matter concerned. The viability of the Feather River project of the State of California, which is only indirectly connected with the San Luis project, is tied up in the fate of a \$1¼ million bond issue. That bond issue can be passed and sold only if it is evident to bonding house attorneys and purchasers and even potential customers of the State project that the State project, which is financed and paid for by the State, is not going to be subject to Federal management by the decision of some court 10 years hence. So this is a very practical caveat in the bill in the interest of clarity.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from California.

Mr. HOSMER. As a matter of fact, the Federal investment in its service area is being reduced by reason of the fact that it is cooperating with the State in the financing of the dam.

Mr. HAGEN. That is correct.

I also want to point out that the State's contribution to the so-called joint structures is in excess of the Federal contribution in every instance; in other words, the State is going to pay exactly for what it gets and pay more than the Federal Government of the cost of these common structures.

You may ask why this should be of interest to someone from New York, Kansas, or some other State. This is an unique venture in partnership in that a State undertakes to make a major contribution to its own water development. Should this partnership venture fail for any reason, you will see the State of California back here several years hence asking for the Federal Government to build this total State project, and you will discourage the development of co-operative plans in other States, so that the potential Federal cost, created by the adoption of the amendment offered by the gentleman from Oregon, in my opinion, poses a real threat of large increases in Federal expenditures in the future. That is one of the reasons why we ask that you sustain our position on section 7. The savings that will be immediately achieved by this joint Federal-State project have been indicated. The State of California will pay for the total benefit of the State project from these

joint structures. As a matter of fact this characteristic of separate identity is stipulated in several sections of H.R. 7155 in addition to said section 7. For example subsection (f) of section 3 stated on page 8 of the bill before us declares:

The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the Federal San Luis unit service area.

Except as it adds reference to drainage facilities specifically this language is an exact statement of the intent of and the import and effect of section 7. Simply stated said subsection (f) declares that State water deliveries shall not be subject to any Federal statutory or administrative regulation insofar as water deliveries are concerned and it is my belief that this language is also broad enough to cover the use of drainage facilities although section 7 is more explicit on this point.

Mr. GUBSER. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. GUBSER asked and was given permission to revise and extend his remarks.)

Mr. GUBSER. Mr. Chairman, when the gentleman from California [Mr. GEORGE P. MILLER] was speaking, I am quite sure that he did not intend to imply that every person who was in favor of retaining section 7 in this bill was in opposition to the philosophy and the principle of the 160-acre limitation. I am sure he spoke generally and not specifically, because in my own case I am wholeheartedly in favor of the 160-acre limitation. I will go so far as to say that if I were once again a member of the California Legislature and this proposal were before the legislature to limit the benefits of the State water project to 160 acres, I would vote for such a limitation. But my opposition to the amendment offered by the gentleman from Oregon is not based upon the philosophy of the 160-acre limitation. It is based purely upon the philosophy of States' rights. I thought the gentleman from Oregon put his finger squarely upon the issue which is here involved when he said, shall Federal benefits follow Federal investment? I presume the gentleman from Oregon believes they should and Federal regulation should follow benefits. I might say I agree with the gentleman. Is that a correct statement of the gentleman's point of view?

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from Oregon.

Mr. ULLMAN. That is basically true. We have here a Federal-State project where an arrangement has not been worked out. We have no agreement and I have no way of knowing and no one has any way of knowing where the benefits will flow at this time. I only want Federal benefits to follow where Federal investment is made.

Mr. GUBSER. Then I have stated the gentleman's issue correctly: Shall Federal benefits, Federal regulation, follow Federal investment—and we both

agree they should. The point I would like to make here is that—Federal regulations do follow Federal investment in this case because Federal investment is for the San Luis service area which is a Federal service area. Because we are building this jointly the Federal investment is \$60 million less than it would otherwise have been. All we are asking here today is for the State legislature to have the right to determine the rules and regulations which apply to the service area which is served by investment made by the State.

I think we should remember this. The State of California owns this land upon which this reservoir will be built and if this bill does not pass that the State of California will build the San Luis reservoir. But, if the State of California builds the reservoir on land that it now owns, then the opportunity to use that site will be taken away from the Federal Government and we will never be able to finish the Central Valley project. The people in the Federal San Luis service area of the Central Valley project, mostly in the district of our colleague, the gentleman from California [Mr. SISK], will not have the chance to receive Federal water because the State has already built a reservoir on the only site available. Let us remember this; we are not giving anything to the State of California for the non-Federal service area. We are asking the State for the right to build our portion of this dam on top of the one that the State is going to build anyway. So why under the point of view is it justifiable for us, because we are being taken along as a partner, to tell the State of California that for your part of the project which you pay for, you must follow the same rules and regulations that we follow for our part?

I was asked before I concluded my remarks to remind the House that this is not a power project and public power is not involved in any way. In fact, the San Luis project is a consumer of power rather than a producer. Since I was asked by a Member on our side to bring that point out, I am so doing at this time.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close at 1:30 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been quite a little comment on this particular section of the bill. This is a controversial section which has created a great deal of fire. I want to state my position clearly because this was a part of some six or seven amendments which a group of us agreed to attempt to keep in this piece of legislation on behalf of some of our friends in southern California. These amendments were written into the bill which I introduced at that time. I carried on a consistent fight for all of those

provisions. All of the provisions were written into the bill up until this point. I think my colleague from California [Mr. HOSMER], will agree that our joint efforts in the committee did manage to retain this section. However, since that time a controversy has developed over the meaning of this language. If anything happens with this section in the bill that would not happen with it out of the bill, then we are amending the reclamation law. This is simply a legal practicality. The facts are that the people in my area are not particularly concerned, because our area is 100 percent under the reclamation law, but I simply wanted to make sure that the Federal project will be able to operate successfully under the reclamation law. At the same time I want to make sure that the State project can operate successfully under the State law. That is my position. That is what I think will happen under this bill, whether this section is in or out.

Unfortunately a situation has developed where a few people are apparently reading something into this section which we in the committee do not read into it; that is, that it might offer a loophole through which water could be secured which could not be secured without it.

With reference to a legal proceeding in court, it is my opinion that when the Congress speaks that will be it. There will be no more litigation with this section out than with it in. That was my position from the beginning, that I would do the best I could to get it to the floor and then abide by the decision of my colleagues. The other body saw fit to strike this section, as I say. In view of the controversy that has arisen, in view of the fact that we all agree that we do not want to amend the reclamation law, it is my opinion at the present time that the legislation would be less controversial if the section is stricken from the legislation.

Mr. HAGEN. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield.

Mr. HAGEN. It is true that you have stated many times that you support the Federal reclamation law, including the acreage limitations, as applied to traditional federally subsidized projects.

Mr. SISK. The gentleman is correct.

Mr. HAGEN. Has anyone ever pointed out to you how this particular section 7 attempts to change the Federal reclamation law?

Mr. SISK. No. That is the point I wished to make. On the other hand, I have an idea that it has not been pointed out specifically that it would not amend it. Apparently it is the interpretation that various people have placed upon it, which has created the controversy.

Mr. HAGEN. It is your understanding that the present state of the law is that the Federal reclamation law would not apply to a wholly State-owned, State-financed project?

Mr. SISK. That is exactly right. It is my opinion, and it certainly is the intent of our committee and it is very accurately spelled out in the report ac-

companying this bill, that Federal law shall govern the Federal project and State law shall govern the State project; I believe that when the Congress speaks that will be the intent: that Federal law governs the Federal project and State law the State project.

Mr. HAGEN. Is it not, therefore, fair to say that all section 7 does is to restate in the legislation what is already provided by current law?

Mr. SISK. That covers it precisely. The gentleman sat in the room at the time the agreement was made. This simply was inserted for purposes of clarification.

We intended and I believe that section 7 is merely a statement of existing Federal reclamation law and that, with or without section 7 in the legislation, the courts would hold that the sharing of a site and joint financing, construction and use of structures placed thereon as proposed in the San Luis legislation would not subject State water deliveries to Federal reclamation law. Further, it is my opinion that, acting pursuant to the legislation, with or without section 7, the Secretary of the Interior would have full legal authority to enter into a contract with the State of California spelling out the safeguard stated in section 7.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The time of the gentleman from California has expired, all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Oregon [Mr. ULLMAN].

The question was taken; and on a division (demanded by Mr. ULLMAN) there were—ayes 81, noes 84.

Mr. ULLMAN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. ULLMAN and Mr. HOSMER.

The Committee again divided, and the tellers reported that there were—ayes 139, noes 122.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 8. There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint-use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes. Said base sum of \$290,430,000 shall, however, be diminished to the extent that the State makes funds or lands or interests in land available to the Secretary pursuant to sections 2 or 3 of this Act which decrease the costs which would be incurred if the works authorized in section 1 of this Act (including provision for their subsequent expansion) were constructed solely as a Federal project. There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, and (b) for operation and maintenance of the unit. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder

and shall be available, without further appropriation, to carry out the purposes of this Act.

Mr. BOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Bow: On page 12, line 9, after "the sum of" insert "not to exceed," and on line 9 strike out the word "plus" and strike out lines 10, 11, and line 12 through the period following the word "indexes."

Mr. BOW. Mr. Chairman, this amendment would limit the authorization to \$290,430,000. As the bill is now written, it authorizes the sum of \$290,430,000 "plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes."

Mr. Chairman, I raise this question so that we may have a limitation and so that we may know the amount that is authorized under this bill. As the language now reads, you would depend upon some engineering indexes to determine the amount of the authorization. You would have your \$290,430,000, and then it says "plus such additional amount as shown by engineering indexes." Now, whose engineering indexes? What engineering indexes? Let us say you had three or four engineering indexes, one showing an increase, one showing a decrease, and perhaps one showing the level to be as it is. What index are you going to take? I do not believe that the House should legislate in this manner. If it is going to run considerably over the \$290 million in the authorization during the period of construction, that will be known. There will be plenty of time to come back to the House and ask for this additional authorization, but it seems to me rather irresponsible to say that we are going to depend upon some engineering indexes when we do not know what engineering index is going to be used.

Therefore, Mr. Chairman, I ask that this amendment be adopted so that we will not exceed the \$290,430,000. If later on it becomes necessary to come back to the House and show why this additional amount is needed—as we have done in the past in the Central Valley project where there has been a later estimate—the funds will be provided. But, I do not believe we should have this kind of loose language in a bill when we have legislation in the future.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Michigan.

Mr. MEADER. Would the gentleman tell me, as a member of the Committee on Appropriations and familiar with authorizations generally, is this open end proposal common in authorizations for construction work?

Mr. BOW. I understand in the Central Valley, in some areas, that it has been done in the past, but if we made mistakes in the past and the estimates have been low many times, I think we should correct that now and say it shall not exceed a certain amount, and perhaps they will be more careful in the

manner the money is spent rather than saying it will be \$290 million plus some engineering indexes later on. I think it is a rather reckless way of appropriating.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Iowa.

Mr. GROSS. I want to commend the gentleman for his amendment and say only this: Simply because these open end bills have been passed before is no reason why we should not put an end to it, and this is a very good time to start.

Mr. BOW. Mr. Chairman, I agree with the gentleman and I hope the Committee will go along with this amendment that we shall not exceed the amount; \$290 million is a great deal of money and an open end authorization saying that somebody's index later on will make it possible to spend a lot more is a little dangerous, I should say.

Mr. SISK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hesitate to oppose this amendment because very frankly I am anxious to see that this construction, as well as any other construction, be done as economically as possible. I agree to some extent with the comment of the gentleman from Iowa that just because this has been in other bills is not necessarily a reason to leave it in this bill. I will say, however, that so far as I know, for the last 50 years, throughout the history of reclamation projects, this is the language that has been used.

The position taken by the departments downtown, including the Bureau of the Budget, as I understand their position, the Department of the Interior, the Corps of Engineers and others whose work is involved in this, is that this could save money; and, of course, there is some possibility that it might increase the cost. That is, they should be given the flexibility of following the construction indexes. This is a single index. There is not a multitude of these prepared. Actually the construction industry each month submits figures to a central filing section where they prepare what is called the construction index for that period of time. That has been followed by all agencies as the construction index. It is my hope that that index will show a reduction in cost of construction rather than an increase, although we have been faced with increases during the past 10 years; there is no question about that.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SISK. I am glad to yield to my Chairman.

Mr. ASPINALL. Is there any possibility that the amendment offered by the gentleman from Ohio can make any saving to the Federal Government in the construction of this facility?

Mr. SISK. There is no possible saving that I can see because what you would be doing, of course, would be giving them an authorization to go ahead and construct. Then you get to the point where you have spent all the money and you have a project that lacks a couple of million dollars of being completed. Certainly we are

not going to let it stand uncompleted and unusable.

Mr. ASPINALL. Is there any possibility that it might lead to agreement of contracts that would be any more economical in the interest of the district or the Federal Government?

Mr. SISK. Based on my knowledge and understanding of the Department's position and that of the construction people, I would say no. What it actually does is to place these people in a strait-jacket, to a certain extent. It might tend to cause them to go up in their costs. In other words, in this case, the ceiling would become the floor. That is something we always run into. I think this project, so far as the Federal Government is concerned, is going to be constructed for substantially less than this amount. I expect that it will be constructed for somewhere in the neighborhood of \$230-odd million. But I do feel that this amendment would place the Department and the construction agencies in a straitjacket which might tend to increase costs rather than decrease them.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. MEADER. Would it not have this effect, that those undertaking this construction work would realize that if they had to have a larger authorization they would have to come back to Congress for further legislation which would involve some time and some difficulty; and that would tend to make them more careful than if they had the leeway which the language in the bill would afford?

Mr. SISK. Of course that is possible, as the gentleman states it. However, as I say, it is my firm opinion that the people who are guarding the dollars down there are going to see to it that the contracts go according to these construction indexes as they have existed from year to year. That is my only reason for opposing the amendment. I appreciate what the gentleman is trying to do. I am sympathetic with his position. I do believe that to give them the flexibility which they have under the normal language here is advisable. After all, the appropriation committee still has to appropriate the money and they can stop these appropriations whenever they desire. So there is certainly no desire on my part, or on the part of the committee, to take anything away from the appropriating power of the Congress, because I think it is essential not only to this project but to the carrying on of any other kind of construction carried on by the Federal Government.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. Bow].

The amendment was rejected.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 12, line 19, after "Federal project" strike out the balance of line 19 and all of lines 20, 21, 22, and 23.

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Chairman, the figure that has been included in this bill as the cost of the San Luis project is \$290 million. By the language of my amendment, I just strike out \$192 million more, because the cost of this project is actually in excess of \$482 million. If there was ever an open-end proposition resented to this Congress, it occurs on page 12 in section 8, lines 19 to 23. The distribution and drainage systems should be constructed by the Federal Government or by the water users at an estimated cost of \$192,650,000. If this language stays in the bill, instead of authorizing a project for \$290,430,000 plus, up or down, according to the indices, you are authorizing a project in excess of \$483 million. The Federal Government can build the distribution and drainage system, and there is absolutely no requirement to come back and ask this Congress or anyone else for the approval to build these features.

If anybody from California wants to stand up and tell me that that information is not correct, here is his opportunity to do it. This amendment just saves the taxpayers money and makes them come back to the Congress to get the approval for this \$192 million.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. SISK. Here again the gentleman knows this is the normal language that is used in all these projects. Is that correct?

Mr. SAYLOR. No. This is a different situation. This is a joint State-Federal project. This is the first one that they ever had. In every bill that we have ever had before, the cost of the distribution system has always been included in the amount that has been authorized. This is the first time we have ever had a bill presented that does not have that amount included. This \$290 million does not take care of the distribution system. What my amendment does is just to say to the people of California that we will approve your project and if the State will enter in good faith into the type of contract which has been authorized, then there will be no responsibility on the part of the Federal Government to build the distribution system. If there is not a contract entered into and it becomes a full Federal project, before they can go ahead, they have to come back and ask the Federal Government for approval of \$192 million more.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. WILSON. Mr. Chairman, I support the gentleman in his amendment.

I should like to add my voice to those advocating the passage of the San Luis unit of the Central Valley project. This project has much merit and has been already delayed too long.

For many years, the State of California has desired to cooperate with the Federal Government in the joint devel-

opment of the San Luis unit of the Central Valley project.

In the first place, construction of this urgently needed water storage project would have a double-barreled impact upon the State economically. Secondly, the Federal portion of the San Luis unit would make a most important resource contribution by furnishing much needed additional water to an area of almost 500,000 acres of highly productive farm lands on the west side of the San Joaquin Valley. In addition, the San Luis storage unit would be an important link in the State's far-reaching plan for moving water from surplus areas in the north to water deficient areas in the southern part of the State.

The lands in the proposed Federal service area are desperately in need of an additional water supply. Overpumping within the last decade has lowered the ground water table in excess of 400 feet, which has had the effect of skyrocketing pumping costs and forcing good acreage out of production.

Unfortunately, this agricultural economic tragedy is still in progress. Of the 500,000 acres in the service area, about 400,000 were developed for irrigation in 1950. A good percentage of these lands are now dry and unproductive because of the high pump lifts resulting from the falling water table. Prospects are that unless an additional water supply is brought into the area—such as would occur with construction of the Federal San Luis unit—the existing ground water supply is adequate to sustain somewhat less than 150,000 acres in irrigation. Without San Luis, therefore, two-thirds of a rich agricultural area will be an almost complete economic loss to the State.

The constantly lowering ground water table effects a sort of "creeping paralysis" in the once lush western San Joaquin Valley. This agricultural decline, moreover, is taking place in the face of California's continuing population growth, which is expected to make it the most populous State in the Union. In a rapidly growing State, where good farmland is limited by the available water supply, more land, not less, must be irrigated to keep up with growing State needs for food, fiber, and job opportunities.

The Federal San Luis unit, therefore, must be considered as a rescue-type development, vital to the continued economic development of the San Joaquin Valley and to the State of California and to the Nation as a whole. Everyone benefits if valuable natural resources can be developed and sustained.

The State of California has long recognized its upward population trend and the urgent requirement to develop its soil and water resources to meet its growing needs. A forward-looking State water plan developed in the 1920's laid the groundwork for the great Central Valley project. A complete restudy of that far-reaching early planning resulted in the California water plan, recently completed, one of the most ambitious State water programs ever advanced.

The first step in this new plan is the Feather River project and several features of the San Luis unit, such as the

San Luis Reservoir, are a part of this project. Such joint facilities will play an important part in the State's scheme to carry water to its service area in the southern part of the San Joaquin Basin and across the Tehachapi Mountains to provide the growing metropolitan complex in the Los Angeles-San Diego area with an adequate water supply.

Furthermore, by constructing the San Luis unit on a partnership basis—with Federal-State cooperation—it is estimated that the Federal cost on this project would be some \$56 million lower than it would be if only the Federal unit were constructed.

In accordance with the proposed legislation, the facilities of the San Luis unit which are common to both the Federal and State plans would be jointly developed. Such cooperation is a necessity if the needs for water in the burgeoning Golden State are to be met in the future.

During congressional consideration in the other body of the San Luis unit legislation there was considerable discussion of the various facets of the excess land provision of the reclamation laws. Involved in the discussion were the lands to be irrigated in the Federal service area and, through joint development of some of the facilities of the unit with the State of California, the lands in the service area of the State's Feather River project.

There is no question that the owners of lands within the proposed Federal service area should comply with the 160-acre limitation in existing law. Before any water from the project could be furnished legally to these people, each prospective water user would have to enter into the customary recordable contract with the Federal Government to dispose of his lands in excess of 160 acres in a single ownership. This procedure would apply to all, including large landowners such as the Southern Pacific Railroad Co., which holds some 120,000 acres in the San Luis area.

The Senate was informed that the railroad company had stated it was not interested in selling its excess lands, but indicated it would be willing to pay interest on water supplied for its excess lands. Other landowners in the Federal service area have indicated they will comply with the acreage limitation, and it is true that the unit would be a feasible undertaking even if the Southern Pacific Railroad lands were excluded from project water service.

The question of whether the acreage limitation provision would apply to the lands in the State's service area has caused confusion and misunderstanding. It is understood the administration's view is, that since the State would fully pay for its share of the construction of the joint facilities prior to its use of them for the delivery of water, the provisions of the Federal reclamation laws, and thus the excess acreage limitation, would not apply to the State's service area. This would be true whether the legislation specifically exempts the State's service area from application of the Federal Reclamation laws, as does section 7 of H.R. 7155, or is silent on the

matter as is S. 44, in the form it passed the Senate. There seems to be no precedent for application of the Federal Reclamation laws to the service area of a State-constructed storage facility.

Surplus crops will not be a particular problem so far as the San Luis unit is concerned. Consider these factors: The land is of high quality—more than 85 percent is classified in class 1 and 2. The growing season is long—over 250 days. Farms in the Federal service area will be of reduced size, as required by reclamation law. More and better quality of water will be provided by the new storage. Because of all these factors, crops will be grown which are generally not surplus to the Nation's needs. Also, these same basic conditions will make this an extremely versatile agricultural area, responsive to shifts in demand for agricultural products. Should some particular crop encounter marketing difficulties, it would be easy for the San Luis area farmers to shift to a more profitable crop which is not in surplus.

The expected crops from the San Luis project area include: Truck crops 88,000 acres; deciduous fruits and grapes, 22,000 acres; miscellaneous field crops, 66,000 acres; alfalfa, 88,000 acres; irrigated pasture, 44,000 acres; long staple cotton, 132,000 acres, and grain and hay, 44,000 acres. With the project development, there would be a drastic reduction in the 162,000 acres of grain and hay now grown in the area.

When the question of surplus crops is raised, an accusing finger is generally pointed at the cotton which would be grown in the San Luis unit area. In this regard, however, it should be remembered that California-grown cotton is of the long-staple variety. This is high quality cotton and there is a demand for it in this country. Thus, it does not contribute to the surplus problem in short-staple cotton. Furthermore, efficient production methods and irrigation enable the farmers in California to grow this better quality cotton at a low cost per acre. Considering the competition that cotton is meeting from imports and man-made fibers, the welfare of the domestic cotton industry depends on lowering the cost of cotton by increasing quality and instituting more efficient methods of production, such as you would have in the San Luis area.

(Mr. WILSON asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. SISK. Actually, the facilities authorized by the language which the gentleman proposes to strike out here has absolutely nothing to do with the State project. There is not any part of the State project involved in this distribution system. This is a distribution system for a Federal project, and whether or not the people decide to contract with the Bureau of Reclamation under the normal procedure to construct the distribution system or decide under a bond issue or by some other method to construct, it is still part of the Federal

project. Of course, it is covered by the reclamation law and has no part of the State project and no application to anything at all that has to do with the State project. I believe my colleague will agree with me on that.

Mr. SAYLOR. Let me ask my colleague, the author of the bill, then if that is the case—are you willing to go back to section 8 and strike out the words "other than distribution system" and insert the sum of \$482 million, because that is what it becomes?

Mr. SISK. So far as I know, the statement by the gentleman that the distribution facilities have always been included in the total amount of money authorized, that is not my understanding. The gentleman may be right. It is my understanding that the normal language in these various projects which we have authorized—and the gentleman has been on the committee, of course, longer than I have—but it is my understanding that is the normal language we have always used in projects authorized in the 6 years that I have been on the committee.

Mr. SAYLOR. And the Central Valley project and the Central Valley distribution system have all, or almost all, been built by the Federal Government. In this case, this language which is in the bill authorizes \$192 million more. What my amendment does is to tell the people of the area that if they want the Federal Government to build a distribution system, then they have to come back here again and get a further authorization.

Mr. SISK. Mr. Chairman, will the gentleman yield further?

Mr. SAYLOR. I am happy to yield further to my colleague from California.

Mr. SISK. Let me say there are a good many of the systems which were not built on money furnished by the Federal Government, but were built on their own. On the other hand, many have been built under the terms of this type of language.

Mr. SAYLOR. And a great deal of the trouble in the Central Valley has grown out of the distribution system that the Federal Government built.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ASPINALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: On page 12, line 23, after the word "interests", insert "but not to exceed in total cost the sum of \$192,650,000".

And on page 12, line 23, change period (.) to colon (:) and add "Provided, That no funds shall be appropriated for construction of distribution systems and drains prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after a contract has been submitted to the Congress calling for complete repayment of the costs of such distribution systems and drains within a period of forty years from the date such works are placed in service."

The CHAIRMAN. The gentleman from Colorado [Mr. ASPINALL] is recognized in support of his amendment.

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Chairman, I, too, have been somewhat alarmed because of the fact that we did not come out and expressly state in this legislation the amount that should be authorized as the cost of the possible drainage and distribution installations. My amendment states that any contracts for this contemplated construction shall be placed with the Congress so that they can be reviewed so that they will conform to the procedures that we usually follow in such matters. The reason for this provision is, that all authorizations for reclamation projects do not carry this provision. Some projects do not necessitate the building of drainage and distribution facilities. In California it so happens that a large part of the drainage and distribution facilities have been built by the local irrigation districts themselves. It is contemplated that such facilities will be constructed by the local districts in this particular project.

We have on certain occasions authorized separately certain distribution systems for California projects. However, in the planning and distribution of such projects at the San Luis project it is so much more practical, so much more feasible, so much more economical to plan for all the different construction facilities which are necessary. If it is found at the time of the primary construction that the drainage and distribution facilities, which mean so much to the success of the project, cannot be constructed by the local interests, then those facilities should be a part of the whole project and should be built by the Federal Government and the cost thereof should be returned by the users to the Federal Government. That is what my amendment provides. I think that it is a perfectly feasible way to take care of the situation. My amendment shows what the possible cost of this project may be. Remember that 99.99 percent of this project is repayable to the Federal Government. This does not provide for a 10-year development period for these distribution and drainage facilities. This provides that as soon as they are in shape to be put into operation the payments shall start.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. BOW. I think the gentleman's amendment is a good one and brings it out where we can see what these costs actually will be.

Would the gentleman explain why the operation and maintenance is in this bill when, in answer to an inquiry which I made yesterday of the gentleman from California [Mr. SISK] he said no operation and maintenance money would be used.

Mr. ASPINALL. Well, the operation and maintenance funds are provided annually by the great Committee on Appropriations. These funds are payable annually. Sometimes they are paid before the start of the irrigation system. At other times they may be delayed until later in the season. But in order to

keep these authorizations from coming back to Congress from time to time we have used this language. It permits the great Committee on Appropriations to continue its control and authority over this portion of the reclamation program.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. ASPINALL] has expired.

Mr. SAYLOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am happy to join the chairman of the House Interior and Insular Affairs Committee in support of his substitute amendment, because this actually places in the bill the actual cost of the project, \$482 million. I think the Members of the House who are going to vote on this project ought to know the total amount in the project. I think the manner in which it is now placed is a safeguard and that the committee should go along with the amendment.

Mr. ASPINALL. Mr. Chairman, once again I say it is a great pleasure to work with my colleague from Pennsylvania [Mr. SAYLOR].

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word and take this opportunity to rise in support of the bill in its present shape, and congratulate the members of the Committee on Interior and Insular Affairs, both Democrats and Republicans, for the very careful and excellent manner in which the committee has always, during my years in this body, considered and screened legislation coming before the committee. The illustration of leadership on both sides, the chairman of the committee, my friend, the gentleman from Colorado [Mr. ASPINALL], and my friend, the gentleman from Pennsylvania [Mr. SAYLOR], shows the manner in which they approach consideration of legislation that comes before this excellent committee. It shows the teamwork, it shows the understanding. The gentleman from Pennsylvania made a profound speech. It was logical. Some of us might disagree to his amendment, but not to the logic of his reasoning behind his amendment. The chairman of the committee offers an amendment in the nature of a substitute, but an amendment by reason of the parliamentary situation. The gentleman from Pennsylvania accepts the amendment. That is the kind of teamwork in committee which produces the most constructive results.

This project is a great one that means much to the State and people of California. As far as I am concerned, coming from Boston, I am interested in projects all over the country. I do not feel because I come from Boston I should vote against a project that is going to marshal the natural resources of any section of our country in the service of the people of that section and indirectly the people of the entire country simply because it involves appropriations where other sections of the country might primarily benefit. I have voted for all these projects over the years. This is another project. It is in the best interests of our country. It is going to mean a great deal to the people of California, and I am supporting the bill, but I particularly wanted to take the floor to call

to the attention of the House this fine teamwork and understanding that exists in the committee and to congratulate both the Democratic and Republican members of the committee for the manner in which they have approached the consideration of this bill in committee and on the floor, and the manner in which they approach the consideration of all bills referred to their committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. ASPINALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASPINALL. Does not the vote recur on the amendment offered by the gentleman from Pennsylvania? Or will he withdraw his amendment?

The CHAIRMAN. The amendment of the gentleman from California being in the nature of a perfecting amendment, the motion to strike out the paragraph falls.

If there are no further amendments, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7155) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, pursuant to House Resolution 514, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. HOSMER. Mr. Speaker, I demand a separate vote on the so-called Ullman amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 11, line 22, strike out lines 23 and 24, and on page 12 strike out lines 1 through 5.

The SPEAKER. The question is on the amendment.

Mr. HOSMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 181, answered "present" 1, not voting 38, as follows:

[Roll No. 95]

YEAS—214

Abernethy	Anfuso	Beckworth
Addonizio	Ashley	Bennett, Fla.
Albert	Balley	Blatnik
Alford	Barr	Boggs
Anderson,	Barrett	Boland
Mont.	Bass, Tenn.	Bolling

Bowles	Holtzman
Boykin	Huddleston
Brademas	Hull
Breeding	Ikard
Brock	Inouye
Brooks, La.	Irwin
Brooks, Tex.	Jarman
Brown, Ga.	Jennings
Brown, Mo.	Johnson, Calif.
Burdick	Johnson, Wis.
Burke, Ky.	Jones, Ala.
Burke, Mass.	Karsten
Burleson	Karthe
Byrne, Pa.	Kasem
Carnahan	Kastenmeier
Casey	Kee
Celler	Kelly
Clark	Keogh
Coad	Kilday
Coffin	Kilgore
Cohelan	King, Calif.
Cook	King, Utah
Cooley	Kirwan
Daddario	Kluczyński
Daniels	Kowalski
Dawson	Lanc
Delaney	Lesinski
Dent	Levering
Denton	Libonati
Dingell	McCormack
Donohue	McDowell
Doyle	McFall
Dulski	McGinley
Edmondson	McGovern
Everett	Macdonald
Evin	Machrowicz
Fallon	Mack
Farbstein	Madden
Fascell	Magnuson
Feighan	Mahon
Fisher	Marshall
Flood	Matthews
Flynn	Metcalf
Flynt	Meyer
Fogarty	Miller, Clem
Foley	Miller,
Friedel	George, P.
Garmatz	Mills
George	Mitchell
Glaimo	Moeller
Granahan	Monagan
Gray	Montoya
Green, Pa.	Moorhead
Griffiths	Morgan
Gross	Morris, N. Mex.
Halpern	Morrison
Hargis	Moss
Harmon	Moulder
Harris	Murphy
Hays	Natcher
Healey	Nix
Hechler	O'Brien, Ill.
Herlong	O'Brien, N.Y.
Hogan	O'Hara, Ill.
Hollfield	O'Hara, Mich.
Holland	O'Konski

NAYS—181

Abblitt	Chipperfield	Griffin
Adair	Church	Gubser
Alger	Collmer	Hagen
Andersen,	Colmer	Haley
Minn.	Conte	Halleck
Andrews	Corbett	Hardy
Arends	Cramer	Harrison
Ashmore	Cunningham	Hemphill
Auchincloss	Curtin	Henderson
Avery	Curtis, Mass.	Hess
Ayres	Curtis, Mo.	Hlestand
Baker	Dague	Hoeven
Baldwin	Davis, Ga.	Hoffman, Ill.
Barry	Derounlan	Hoffman, Mich.
Bass, N.H.	Derwinski	Holt
Bates	Devline	Horan
Baumhart	Dixon	Hosmer
Becker	Dooley	Jensen
Belcher	Dorn, N.Y.	Johansen
Bennett, Mich.	Dorn, S.C.	Johnson, Md.
Bentley	Dowdy	Jonas
Berry	Downing	Jones, Mo.
Betts	Dwyer	Judd
Bolton	Elliott, Pa.	Kearns
Bosch	Fenton	Keith
Bow	Fino	Kitchin
Bray	Ford	Knox
Broomfield	Forrester	Kyl
Brown, Ohio	Fountain	Lafore
Broyhill	Fralzer	Laird
Budge	Frelinghuysen	Langen
Byrnes, Wis.	Fulton	Latta
Cahill	Gary	Lennon
Canfield	Gathings	Lindsay
Cannon	Gavin	Lipscomb
Cederberg	Glenn	Loser
Chamberlain	Goodell	McCulloch
Chenoweth	Grant	McDonough

McIntire	Poff	Springer
McSween	Quie	Taber
Maillard	Ray	Teague, Calif.
Martin	Reece, Tenn.	Teague, Tex.
Mason	Rees, Kans.	Thomson, Wyo.
May	Rhodes, Ariz.	Tollefson
Meador	Riehlman	Tuck
Morrow	Riley	Utt
Michel	Rivers, S. C.	Van Pelt
Miller, N.Y.	Robison	Van Zandt
Milliken	Rogers, Mass.	Wallhauser
Minshall	St. George	Weaver
Moore	Saylor	Weis
Mumma	Schenck	Westland
Murray	Scherer	Wharton
Nelsen	Schneebell	Whitener
Norblad	Schwengel	Whitten
Norrell	Sheppard	Widnall
Osmer	Siler	Wilson
Ostertag	Simpson	Winstead
Pelly	Smith, Calif.	Withrow
Pirnie	Smith, Va.	Wingour

ANSWERED "PRESENT"—1

Aspinall

NOT VOTING—38

Alexander	Forand	Rogers, Tex.
Allen	Gallagher	Santangelo
Barden	Gilbert	Scott
Baring	Green, Oreg.	Short
Blitch	Hébert	Sikes
Bonner	Jackson	Smith, Kans.
Brewster	Johnson, Colo.	Taylor
Buckley	Kilburn	Thomas
Chelf	Landrum	Thompson, La.
Davis, Tenn.	Lankford	Wainwright
Diggs	McMillan	Walter
Durham	Morris, Okla.	Williams
Elliott, Ala.	Pillion	

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Johnson of Colorado for, with Mr. Aspinall against.

Mr. Hébert for, with Mr. Allen against.

Mr. Buckley for, with Mr. Short against.

Mr. Rogers of Texas for, with Mr. Taylor against.

Mr. Sikes for, with Mr. Pillion against.

Mr. Santangelo for, with Mr. Kilburn against.

Mr. Brewster for, with Mr. Jackson against.

Mr. Gilbert for, with Mr. Smith of Kansas against.

Mr. Thompson of Louisiana for, with Mr. Wainwright against.

Mr. Walter for, with Mr. Williams against.

Mrs. Green of Oregon for, with Mr. Barden against.

Mr. Diggs for, with Mr. Scott against.

Mr. Baring for, with Mr. Alexander against.
Mr. Davis of Tennessee for, with Mr. McMillan against.

Mr. JONES of Missouri changed his vote from "yea" to "nay."

Mr. ASPINALL. Mr. Speaker, on the rollcall I voted "no." I have a live pair with the gentleman from Colorado [Mr. JOHNSON]. If he were present, he would vote "yea." I, therefore, ask to be recorded as voting "present."

Mr. WILSON changed his vote from "yea" to "nay."

Mr. MERROW changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. UTT. Mr. Speaker, I have a motion to recommend which is at the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. UTT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. UTT moves to recommit the bill, H.R. 7155, to the Committee on Interior and Insular Affairs.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, which is a bill similar to the one just passed by the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) That for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, and related facilities. The works of the San Luis unit (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, pumping plants, and the San Luis Canal. The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed so as to permit future expansion; or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area as hereinafter provided. In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the

State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan, Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit or has made provision for constructing the San Luis Interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in San Luis project report by the Bureau of Reclamation of May 1955, as transmitted to the Congress by the Secretary of the Interior, December 17, 1956.

(b) No water provided by the Federal San Luis unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 2. The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956. The Secretary shall not commence construction of the San Luis unit, except for the preparation of designs and specifications and other preliminary work, until the execution of such an agreement between the United States and the State, but if such an agreement has not been executed by January 1, 1962, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided*, That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as is otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State shall agree equitably to share the total cost of constructing the joint-use facilities and as a part of its share to make available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right

to the use of such additional capacity: *Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation of the project for the purposes set forth in section 1 of this Act: *And provided further*, That this right may be relinquished by the State at any time at its option.

SEC. 3. The agreement between the United States and the State referred to in section 2 of this Act shall provide, among other things, that—

(a) the joint use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (1) immediate integration and coordinated operation with the State's water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (2) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith;

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint-use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint-use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint-use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction costs of the joint-use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint-use facilities;

(f) the rights to the use of capacities of the joint-use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the Federal San Luis unit service area;

(g) the Secretary may turn over to the State the care, operation, and maintenance

of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) notwithstanding transfer of title or of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939 for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483; 43 U.S.C. 485h-1), in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080; 16 U.S.C. 662), as amended, the features of the unit to which such allocation is attributable shall, notwithstanding transfer of title or of the care, operation, and maintenance to the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised and, upon failure so to operate and maintain those features, the amount allocated thereto shall become a reimbursable cost to be paid by the State.

SEC. 4. In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contract conforming generally to the provisions of the Federal reclamation laws with respect to irrigation repayment or service contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925, 43 U.S.C. 523).

SEC. 5. The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be nonreturnable and nonreimbursable under the Federal reclamation laws.

SEC. 6. The Secretary is authorized to provide Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties: *Provided*, That construction of the works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary and by the Congress, and in no event prior to July 1, 1964, unless, in the meantime, the Governor of the State of California shall have notified the Secretary that the State approves the construction of such works by the United States.

SEC. 7. There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types

involved in the San Luis unit as shown by engineering indexes. There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, and (b) for operation and maintenance of the unit. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act.

Mr. ASPINALL. Mr. Speaker, I move to strike out all after the enacting clause of the bill S. 44, and substitute therefor the language in the bill H.R. 7155 as passed by the House.

The SPEAKER. The question is on the amendment offered by the gentleman from Colorado [Mr. ASPINALL].

The amendment was agreed to.

The SPEAKER. The question is on the passage of the Senate bill, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill, H.R. 7155, was laid on the table.

AMENDING HOUSE RESOLUTION 27, 86TH CONGRESS

Mr. BOLLING, from the Committee on Rules, reported the following resolution (H. Res. 530, Rept. No. 1613) which was referred to the House Calendar and ordered to be printed:

Resolved, That H. Res. 27, Eighty-sixth Congress, is amended by striking out the period at the end of clause (7) on page 2 and inserting "; and" and by inserting after clause (7) on page 2 the following clause: "(8) involving the activities and operations of interstate compacts;".

ECONOMIC AND SOCIAL DEVELOPMENT IN RYUKYU ISLANDS

Mr. BOLLING, from the Committee on Rules, reported the following resolution (H. Res. 533, Rept. No. 1616) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1157) to provide for promotion of economic and social development in the Ryukyu Islands. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING A PAYMENT TO THE GOVERNMENT OF JAPAN

Mr. BOLLING, from the Committee on Rules, reported the following resolution

(H. Res. 532, Rept. No. 1615) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2130) to authorize a payment to the Government of Japan. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROVIDING FOR COMPREHENSIVE OPERATION OF HYDROELECTRIC POWER RESOURCES OF THE UNITED STATES

Mr. BOLLING, from the Committee on Rules, reported the following resolution (H. Res. 531, Rept. No. 1614) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7201) to provide for the comprehensive operation of hydroelectric power resources of the United States, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FOREIGN INVESTMENT INCENTIVE TAX ACT OF 1960

Mr. BOGGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5) to amend the Internal Revenue Code of 1954 to encourage private investment abroad and thereby promote American industry and reduce Government expenditures for foreign economic assistance.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 5, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, March 8, 1960, the gentleman from Louisiana [Mr. Boggs] had 8 minutes remaining, and

the gentleman from Illinois [Mr. MASON] had 22 minutes remaining.

The Chair recognizes the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. I wonder if the gentleman from Illinois would reserve 5 minutes, just in case we need it for purpose of explanation.

Mr. MASON. Yes. Mr. Chairman, I reserve all of my 20 minutes.

Mr. BOGGS. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, we began debate on this measure some weeks ago. At that time certain objections were raised to the proposed legislation, and in view of the fact that we were debating the bill under a closed rule as reported by the Rules Committee, it was felt that the best way to handle the objections was to reconsider the bill in the Committee on Ways and Means and adopt, if possible, committee amendments which would meet the objections.

There were three fundamental objections: One was that the administration and the Treasury Department took the position that this proposed legislation should be limited to the so-called underdeveloped countries.

The second was that we had written in the committee a so-called gross-up provision, which is a very technical tax matter quite difficult to explain, but nevertheless we had written it into this bill and had written it in other legislation pending before the committee.

The third had to do with labor standard conditions in the other countries of the world.

I think the Ways and Means Committee has met all of these objections. On yesterday I incorporated in the RECORD a comprehensive statement setting forth these committee amendments, setting forth the objections that had been raised some weeks ago, and our effort to correct these objections.

In the limited time available I do not propose to go into these matters in great detail, but as soon as general debate is over, which apparently will be in a few minutes, I will offer the committee amendments, which we are allowed to do under the rule and then will go into a general explanation.

One of the problems we had in the committee on so-called underdeveloped areas was the problem of defining these areas. This was finally worked out by the Treasury Department working in conjunction with the State Department and actually writing into the proposed law the so-called developed countries. I might read these to you: Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Luxembourg, Monaco, the Netherlands, Norway, Portugal, Sweden, the United Kingdom of Great Britain and Northern Ireland, and any of the countries within the Sino-Soviet bloc. That means that the other nations of the world, including the nations of Latin America, are eligible to participate in the tax-preferred provision of this proposed legislation.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. BAKER. All Western Hemisphere nations are eligible with the exception of Canada.

Mr. BOGGS. That is correct.

I might say that with the adoption of this amendment the Treasury Department and the administration approve the bill as written. I might also say that further objections to the so-called developed countries were raised by other groups, such as the AFL-CIO, and with the adoption of this amendment they too have directed a communication to the committee approving the legislation as drafted.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to corroborate the gentleman's statement in respect to the position of the Treasury Department. As I understand it, in the communication to the chairman of the committee they state:

While the labor standards amendment and import restrictions which are already in the bill would create serious administrative problems, the Treasury Department nevertheless would support the bill as amended.

Mr. BOGGS. That is correct, and I thank the gentleman. The Treasury Department worked very closely with the staff of the Ways and Means Committee in drafting these amendments to the bill.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. For my information and for the information of other Members of the House, would the gentleman be so kind as to briefly explain to the Members of the House what advantages would be obtained by possibly choosing to come under the provision, if it should become law, as contrasted with the existing foreign subsidiary provisions?

Mr. BOGGS. The only advantage that I know of would be that these companies could operate under the American flag. The present device that American business uses, of course, has to do with what the gentleman mentioned a minute ago, namely, the use of foreign-based corporations. Under this proposal, with the exception of developed countries which I read a moment ago, an American company could use the American flag in these so-called undeveloped countries. Of course, there is some question as to how much capital will be generated in these countries but it is something that we should do. We should at least give it a trial.

Mr. O'HARA of Michigan. Would the gentleman attach any significance to the requirement under the foreign subsidiary act that the taxpayer is required to establish tax avoidance as not being one of the purposes of the creation of this subsidiary, and does the fact we do not have a similar provision in H.R. 5 make any difference?

Mr. BOGGS. H.R. 5 is much more restrictive than any foreign subsidiary operations. As a matter of fact, in the case of the foreign subsidiary mere declaration is conclusive. But we have no way that we can look into a corporation organized in Great Britain, Mexico, Canada, or in the Philippine Islands. Under this arrangement the American Treasury Department has complete availability of the documents and the records of the American corporation, so that under the arrangement proposed here there is the same control that the Treasury Department has over all other domestic corporations. Under the foreign subsidiary there is none of that.

Mr. O'HARA of Michigan. I thank the gentleman.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Tennessee.

Mr. BAKER. Is it not true that under existing law there is no limitation upon the exports back into this country or imports of manufactured articles abroad, but under H.R. 5 to remain qualified it cannot exceed 10 percent, which is a great advantage from the standpoint of foreign competition.

Mr. BOGGS. That is true. The gentleman knows that is true because it is his amendment which created that limitation. That is another restriction that does not apply to the foreign subsidiary which the gentleman from Michigan referred to.

Mr. BAKER. On that very point, that was the main source of our opposition here, as I got it, when the bill was before the House previously.

Mr. BOGGS. I think that is correct.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Ohio.

Mr. VANIK. I think this legislation has been improved since we considered it recently, but in reference to the section relating to the activities of American banks and their branch banking activities in these countries, do those branch activities continue to be exempt or entitled to deferred taxation?

Mr. BOGGS. The answer is, again, that this is tax deferral; not tax forgiveness. And, we do not try to limit it to any particular type of corporation that qualifies under the very restrictive provisions of the language in the Act, so that if a branch bank qualifies, then it is still in the legislation.

Mr. VANIK. Well, as the legislation now stands, the activities of branch banking by American banks in these countries would still be subject to this deferral privilege under this bill.

Mr. BOGGS. If they qualify under the other provisions of the bill, that is correct.

Mr. VANIK. I thank the gentleman.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Washington.

Mr. PELLY. I wonder if the gentleman would inform me whether Cuba is included as one of the underdeveloped countries.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: Sen. Johnson announced plan to attempt to override veto of depressed areas bill. House committee granted permission to report Poage farm bill today. Senate committee reported bill to establish commission to study problems in rural counties. House passed legislative appropriation bill. Rep. Cooley introduced farm bill.

SENATE

1. RURAL AREA COMMISSION. The Government Operations Committee reported without amendment S. 3140, to provide for the establishment of a commission to study problems of small towns and rural counties (S. Rept. 1392). Sen. Mundt urged early consideration of the bill, and inserted several letters he had received supporting it. pp. 9873-6
2. WOOL IMPORTS; PROPERTY. The Finance Committee reported with amendment the following bills: p. 9873
H. R. 9322, to extend the existing suspension of duties on certain coarse wool for 3 years, until June 30, 1963 (S. Rept. 1402).
H. R. 9881, to extend the existing provisions of law relating to the free importation of personal and household effects brought into the U. S. under Government orders. (S. Rept. 1403).
3. RECLAMATION. Concurred in the House amendments to S. 44, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley

project, Calif., and to enter into an agreement with Calif. with respect to the construction and operation of the unit. This bill will now be sent to the President. pp. 9919-22

Received from Interior a report that an adequate soil survey and land classification has been made of the lands in the East Bench unit, Three Forks division, Missouri River Basin project, Mont., and that the lands to be irrigated are susceptible to the production of agricultural crops. p. 9872

4. RURAL LIBRARIES. Sen. Stennis urged enactment of S. 2830, to extend the Library Services Act for 5 years, and commended the operation of the program in rural areas, particularly in Miss. p. 9899
5. PERSONNEL. Sen. Keating inserted the statement of Boswell B. Perkins before the Subcommittee on National Policy Machinery discussing the 13 recommendations of the special committee on the Federal conflict of interest laws of the N. Y. Bar Association. pp. 9899-9900
6. BANKING; FINANCE. Received from Treasury a proposed bill "to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U. S. obligations directly from the Treasury"; to Banking and Currency Committee. p. 9872
7. LEGISLATIVE PROGRAM. Sen. Johnson announced that the Senate would vote, either next Tues. or Wed., on the question of overriding the President's veto of S. 722, the depressed areas bill (pp. 9871-2). Sen. Mansfield stated that he expects the agricultural appropriation bill "will be reported next week, and it is hoped that it can be considered at an early date." He also announced that the calendar will be called Mon., that the veto message on the depressed areas bill will be considered on Tues., and that S. 2168, to authorize the serving of oleomargarine in the Navy, may be taken up early next week (p. 9923).
8. ADJOURNED until Mon., May 23. pp. 9930-1

HOUSE

9. LEGISLATIVE APPROPRIATION BILL, 1961. Passed without amendment this bill, H. R. 12232. p. 9933
10. CHICORY IMPORTS. Agreed to the Senate amendments to H. R. 9308, to extend until June 30, 1963, the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory (pp. 9942-3). This bill will now be sent to the President.
11. CASEIN IMPORTS. House conferees were appointed on H. R. 9862, to continue for two years the existing suspension of duties on certain shoe lathes and (as amended by the Senate) casein (p. 9943). Senate conferees have not been appointed.
12. PUBLIC WORKS APPROPRIATION BILL, 1961. Granted the Appropriations Committee until midnight, May 20, to report on this bill. p. 9932
13. DEPRESSED AREAS. Rep. Flood criticized the President's veto of the depressed areas bill, calling the action "reactionary" and "callous disregard of the pleas of Americans for help to become self-supporting." pp. 9953-4

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9862) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. MASON, and Mr. BYRNES of Wisconsin were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4029) to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm.

The message further announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H.R. 6482. An act relating to the credits against the unemployment tax in the case of merged corporations;

H.R. 6779. An act to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals); and

H.R. 9308. An act to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory.

The message also announced that the House had passed a bill (H.R. 5) to amend the Internal Revenue Code of 1954 to encourage private investment abroad and thereby promote American industry and reduce Government expenditures for foreign economic assistance, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 5) to amend the Internal Revenue Code of 1954 to encourage private investment abroad and thereby promote American industry and reduce Government expenditures for foreign economic assistance, was read twice by its title and referred to the Committee on Finance.

RECONNAISSANCE SATELLITES

Mr. JACKSON. Mr. President, the summit conference is over. Its collapse has wrecked any hope of an early thawing of the cold war.

One thing is already clear. Mr. Khrushchev overplayed his hand. He left Moscow planning to split the free world asunder; he is returning to Moscow with the free world more united than before. His was the failure of a mission.

A second thing is clear: The unfortunate U-2 incident did not itself cause the collapse of the Paris meeting. It was

merely the excuse Mr. Khrushchev seized upon to torpedo the conference.

I grant that the Kremlin leaders, with their Iron Curtain mentality, may be ultrasensitive about incursions into the air space over the Soviet Union. Yet Mr. Khrushchev's treatment of the U-2 flights was cynical in the extreme. He has tried to create the impression that an end to the U-2 flights would suffice to end the problem of aerial intelligence gathering. He knows better. He knows that both his scientists and our scientists are working around the clock to develop a reconnaissance satellite. The time is drawing close when the first model of such a satellite can be launched.

Mr. President, Senators are no doubt familiar with the revolutionary importance of the reconnaissance satellite. It will be equipped with cameras of incredible precision and other information-gathering and transmitting instruments. As an information-gathering device, it will ultimately compare in efficiency to the U-2 as a modern jetplane compares to Kitty Hawk.

It will eventually be possible to manufacture these reconnaissance satellites in great numbers. Their orbits will crisscross over every portion of the earth's surface.

The reconnaissance satellite means that the age of the Iron Curtain is drawing to a close. It will soon go the way of the Great Wall of China.

What are we going to do about it? Think back 15 years ago, when we first grappled with the political problems created by the atomic bomb. We took the right and proper course. We offered, subject to safeguards of elementary prudence, to place our atomic stockpile under United Nations stewardship. Only Soviet intransigence kept that program from being adopted.

There is only one military reason why we are developing the satellite—to safeguard our country and our free world partners from surprise attack. We ask nothing of other nations that we are not willing to do ourselves.

The reconnaissance satellite now gives our Nation another chance to act as a responsible member of the world community.

Mr. President, I have written to President Eisenhower, formally recommending that, subject to necessary safeguards, we offer to place our reconnaissance satellites at the service of the United Nations as a part of an international inspection program designed to prevent nuclear Pearl Harbors for any nation. If accepted, this offer would help to lay the groundwork for the beginnings of an enforceable disarmament program.

I have also respectfully suggested to the President that we now reappraise our technical program for achieving the first reconnaissance satellite, toward the end of getting it in the sky at the earliest possible date.

Mr. Khrushchev can have no rational objection to such a move. After all, the Soviet Union, with its first sputnik, was the first to fly over the air space of other nations.

A still more important point. There is now growing reason to suspect that a man may be sitting in the Soviet spaceship circling the globe at this very minute and that the Soviets may very shortly attempt to return this man—alive—to earth.

Mr. President, it is our duty to build the armaments needed for our survival. But it is also our duty to do everything within our power to put the instruments of science and technology under effective international control. One great move in this direction would be to establish an international program for guarding against surprise attacks. The reconnaissance satellite will give us a chance to start such a program. Let us seize that chance.

CONSTRUCTION OF SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

Mr. ANDERSON. Mr. President, I ask that the Presiding Officer lay before the Senate the amendment of the House of Representatives to S. 44.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, which was, to strike out all after the enacting clause and insert:

SECTION 1. (a) That for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as Federal San Luis unit service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, and related facilities, but no facilities shall be constructed for electric transmission or distribution service which the Secretary determines, on the basis of an offer of a firm fifty-year contract from a local public or private agency, can through such contract be obtained at less cost to the Federal Government than by construction and operation of Government facilities. The works (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, pumping plants, and the San Luis Canal. The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed, so as to permit future expansion; or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area, as hereinafter provided. In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation

laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto). Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit or has made provision for constructing the San Luis interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956.

(b) No water provided by the Federal San Luis unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity as estimated by the Secretary of Agriculture for the marketing year in which the bulk of the crop would normally be marketed and which will be in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary calls for an increase in production of such commodity in the interest of national security.

SEC. 2. The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956. Said agreement shall recite that the liability of the United States thereunder is contingent upon the availability of appropriations to carry out its obligations under the same. No funds shall be appropriated to commence construction of the San Luis unit under any such agreement, except for the preparation of designs and specifications and other preliminary work, prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after it has been submitted to the Congress, and then only if either the House nor the Senate Interior and Insular Affairs Committee has disapproved it by committee resolution within said ninety days. If such an agreement has not been executed by January 1, 1962, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided*, That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secre-

tary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as it otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State shall agree that, if it later enlarges the joint-use facilities, or any of them, it will pay an equitable share of the cost to the United States of those facilities as initially constructed before utilizing them for the storage or delivery of water and will bear the entire cost of enlarging the same and if, as a part of said equitable share, it makes available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity: *Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation of the project for the purposes set forth in section 1 of this Act and the use of the additional capacity for water service shall be limited to service outside of the Federal San Luis unit service area: *And provided further*, That this right may be relinquished by the State at any time at its option.

SEC. 3. The agreement between the United States and the State referred to in section 2 of this Act shall provide, among other things, that—

(a) the joint-use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (1) immediate integration and coordinated operation with the State's water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (2) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith;

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint-use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint-use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the

State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint-use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction cost of the joint-use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint-use facilities;

(f) the rights to the use of capacities of the joint-use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the Federal San Luis unit service area;

(g) the Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) notwithstanding transfer of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939, and amendments thereto, for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue to be subject to the same limitations and obligations and to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1) in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), as amended, the features of the unit to which such allocation is attributable shall, notwithstanding transfer of the care, operation, and maintenance to the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised and, upon failure so to operate and maintain those features, the amount allocated there-to shall become a reimbursable cost to be paid by the State;

(j) the State shall not serve any lands within the Federal San Luis unit service area except as such service is required as a consequence of its acceptance of the care, operation, and maintenance of works under paragraph (g) of this section.

SEC. 4. If the Secretary proceeds to construct, operate, and maintain the San Luis works under the terms of section 1 of this Act solely as a Federal project, the operation shall be subject to the following restriction: Whenever the chlorides in the water at the head of the Delta-Mendota Canal exceed one hundred and fifty parts per million during the months of July, August, or September, the mean daily diversion from the Sacramento-San Joaquin Delta to San Luis unit via Tracy pumping plant and Delta-Mendota Canal as measured at the San Luis pumping plant shall not exceed the mean daily import to the Sacramento Valley from the Trinity project.

SEC. 5. In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contracts the terms of which are as nearly similar as is practicable to those required by the Federal reclamation laws in the case of irrigation repayment or service contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925; 43 U.S.C. 523).

SEC. 6. The Secretary is directed to plan the works authorized in this Act in such a manner as to contemplate and make possible the future provision of Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties heretofore anticipated as a possibility by the Acts of October 14, 1949 (63 Stat. 852) and August 27, 1958 (72 Stat. 937). Construction of additional works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary, and the works have been authorized by Act of Congress.

SEC. 7. The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be nonreturnable and nonreimbursable under the Federal reclamation laws.

SEC. 8. There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint-use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes. Said base sum of \$290,430,000 shall, however, be diminished to the extent that the State makes funds or lands or interests in land available to the Secretary pursuant to sections 2 or 3 of this Act which decrease the costs which would be incurred if the works authorized in section 1 of this Act (including provision for their subsequent expansion) were constructed solely as a Federal project. There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, but not to exceed in total cost the sum of \$192,650,000, and (b) for operation and maintenance of the unit: *Provided*, That no funds shall be appropriated for construction of distribution systems and drains prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after a contract has been submitted to the Congress calling for complete repayment of the distribution systems and drains within a period of forty years from the date such works are placed in service. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys

appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act.

Mr. ANDERSON. Mr. President, I have only two or three very short comments to make. The Senators from California, I am sure, will desire to say a few words on this subject.

This is a project which I have personally inspected several times. It is a project on which the Committee on Interior and Insular Affairs worked at great length. The Subcommittee on Irrigation and Reclamation successfully recommended to the Senate favorable action upon the bill. The bill was passed by the Senate and was sent to the House of Representatives.

I am pleased the House has taken the action it has taken upon the bill. I have examined, I think carefully, all the House amendments. If I correctly interpret them, as I think they should be interpreted, I believe the House has improved the bill.

Therefore, I now move that the Senate concur in the House amendment to S. 44. I know the Senators from California will desire to express themselves upon this motion.

Mr. ENGLE and Mr. KUCHEL addressed the Chair.

Mr. ANDERSON. I yield first to the junior Senator from California [Mr. ENGLE].

Mr. ENGLE. Mr. President, I concur wholeheartedly in the statement made by the Senator from New Mexico. I agree that the House work upon this particular piece of proposed legislation has improved it. It is substantially the same bill which passed the Senate. The language is a little different. I would say it is only different in the sense that it is somewhat more precise than was the language we passed in the Senate. As a consequence, I agree it would be proper to concur in the amendment of the House.

Mr. President, I have gone over the amendments, as has the Senator from New Mexico, and as has, I believe, my senior colleague from California. I am sure my colleague agrees that the present provisions of the bill represent an improvement rather than the contrary, and that as a consequence no good purpose would be served by going to conference.

I express my appreciation to the Senator from New Mexico [Mr. ANDERSON] for his assistance in handling this proposed legislation. The Senator from New Mexico has been the chairman of the Subcommittee on Irrigation and Reclamation of the Senate Committee on Interior and Insular Affairs for a number of years. He was the chairman of that subcommittee during the time I was the chairman of the equivalent subcommittee in the House of Representatives. He was the chairman of that subcommittee during the time I was the chairman of the House Committee on Interior and Insular Affairs, at which time I had the privilege of working with the Senator on numerous western reclamation projects, including the upper Colorado Basin project.

Those of us from California, intensely interested as we are in water develop-

ment, are deeply grateful not only to the Senator from New Mexico but also to his associates on the committee.

We are deeply grateful to the senior Senator from California, who has been a splendid leader in the water programs for the Far West, and also to the senior Senator from Montana [Mr. MURRAY].

Mr. President, I would not conclude my remarks without saying that we are very grateful indeed to the chairman of the House Committee on Interior and Insular Affairs, Representative WAYNE ASPINALL, of Colorado, who has been a constant friend of western reclamation during many years. Representative ASPINALL gave his tremendous and powerful support to this proposed legislation when it was before the House.

Our California colleague, Representative B. F. SISK, who is on the floor of the Senate with me today, is the author of this proposed legislation. To him we give great credit for his effort.

Mr. KUCHEL. Mr. President, a year ago the Senate passed Senate bill 44, introduced by my colleague from California [Mr. ENGLE] and myself. It has been described, accurately, I think, as one of the finest reclamation projects ever to come before a Congress. I am most grateful that the House saw fit to pass the bill earlier this week, with some amendments which I believe have improved the bill.

The legislation before us envisages a great storage reservoir to be constructed and used jointly by the Government of the United States and the Government of California. It will serve a Federal reclamation project on the one hand, subject to Federal reclamation law, and it will also serve a State project, the Feather River project, on the other hand, under State law. An expanded area of the Central Valley Project, a Federal reclamation project, will receive supplemental water in accordance with Federal statutes, and the lower San Joaquin valley and the parched areas of southern California will receive an additional water supply under State statutes.

I have before me a brief statement of the rather technical amendments which the House made in the bill, and I ask unanimous consent that the statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DIFFERENCES BETWEEN HOUSE-PASSED SAN LUIS BILL AND S. 44 AS PASSED BY SENATE

(Page and line references are to printing of S. 44, as it was passed to the House of Representatives on May 14, 1959.)

1. On page 2, line 9, after "facilities," the House bill adds a prohibition against construction of electric transmission or distribution lines if the Secretary determines on the basis of a firm 50-year contract from a local public or private agency, that necessary power to operate San Luis can be obtained at less cost than by construction and operation of Federal facilities.

2. On page 3, lines 14, 15, and 16, there is a clarifying change in the House bill which merely accurately identifies the report referred to.

3. On page 4, starting on line 12, the House bill adds provisions stating that the agreement with the State shall specify that

the liability of the United States is contingent upon appropriations, and further providing that no funds shall be appropriated to commence construction until the agreement between the State and the Secretary has been submitted to Congress and has lain there during 90 session days without disapproval of either the Senate or House Interior Committees.

4. On page 5, starting on line 15, the House bill inserts provisions requiring the State, if it enlarges the joint-use facilities after initial construction, to pay an equitable share of the cost to the United States of the facilities as initially constructed, and to bear the entire cost of enlarging them.

5. On page 6, on line 2, before "and provided further," the House bill inserts a requirement that the State's use of the joint-use facilities shall be limited to service outside of the Federal San Luis unit service area.

6. On page 8, line 23, the House bill deletes the word "title" so that only the care, operation, and maintenance of the works shall be turned over to the State.

7. On page 9, in the middle of line 4, the House bill inserts a provision that any organization which has contracted with the Federal Government for water, in the event operation is turned over to the State, "shall continue to be subject to the same limitations and obligations" as it would have under continued Federal service. This insures the continuance of the 160-acre limitation.

8. On page 9, after line 23, the House bill inserts a new subsection prohibiting the State from serving any lands within the Federal San Luis unit service area, except as such service is required if it accepts operation under paragraph (g).

9. On page 9, after line 23, and the preceding new subsection, there is inserted by the House bill a new section 4 restricting the withdrawal of Federal San Luis water from the delta whenever Delta-Mendota water exceeds 150 parts per million of chlorides during the summer months, unless the Trinity project is adding an equal amount of water to the Sacramento Valley. Remaining sections are renumbered.

10. On page 10, starting on line 22, the Senate bill directly authorizes construction of an extension of CVP via Pacheco tunnel to serve Santa Clara, San Benito, Santa Cruz, and Monterey Counties with certain provisos. The House bill has the effect of including these areas in the Central Valley service area and authorizes a report on feasibility, which would require a later authorization by act of Congress.

11. On page 11, after the sentence ending on line 18, the House bill inserts a provision that the authorization for appropriations of \$290,430,000 shall be diminished to the extent that the State makes funds or lands available which decrease the cost of the works to the Federal Government.

12. On page 11, line 22, after the word "interest," the House bill inserts a limitation on the total cost of distribution and drainage systems of \$192,650,000, and adds the further provision that no funds may be appropriated for distribution and drainage systems until a contract for complete repayment has lain before Congress for 90 session days.

Mr. KUCHEL. Mr. President, this is the last happy chapter in the enactment of this beneficent bill which will serve the best interests of the United States, and of the State of California. It has the approval of the State and Federal Governments and their respective agencies. The President has urged it. The Vice President has urged it. I ask adoption of the motion of the Senator from New Mexico.

The PRESIDING OFFICER. The question is on agreeing to the motion of

the Senator from New Mexico [Mr. ANDERSON].

Mr. PROXMIRE. Mr. President, I should like to ask the senior Senator from New Mexico if he will yield for a question.

Mr. ANDERSON. I am glad to yield.

Mr. PROXMIRE. As I recall, this is the bill which the Senate passed last year.

Mr. ANDERSON. That is correct.

Mr. PROXMIRE. Can the Senator inform me whether this bill, as it comes from the House, makes any substantial changes in the bill as it passed the Senate last year?

Mr. ANDERSON. No. I will say to the Senator from Wisconsin that there are no substantial changes. There are a few changes in wording, which I think probably improve the bill. Many of them were suggested by Representative SAYLOR, of Pennsylvania, who is a staunch friend of those who wish to keep reclamation within reasonable bounds. I think the bill is a satisfactory bill. I believe no substantial change has been made in it.

Mr. PROXMIRE. As I recall, there was a lengthy debate on the floor last year on the acreage limitation feature, the 160-acre limitation.

Mr. ANDERSON. Yes.

Mr. PROXMIRE. That has not been affected?

Mr. ANDERSON. The bill has been strengthened, if anything. There was a possibility that the State of California could have diverted water from its share and put it on Federal lands. We did not think that was possible. It might have been possible, but the House added a provision which would make it impossible. It provides that in all Federal sections the areas must be supplied from Federal units. Hence, the 160-acre limitation would apply.

I think the House strengthened the bill. I do not believe it needed strengthening. Nevertheless, the House added a provision to safeguard the item which we had long debated. I can assure the Senator that I was interested in that point, because if the bill had been varied in any way, those of us who were trying to protect the situation would have been subject to criticism. I am sure the bill has been strengthened rather than weakened.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico [Mr. ANDERSON] that the Senate concur in the House amendment to Senate bill 44.

The motion was agreed to.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the House amendment was concurred in.

Mr. ANDERSON. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

OLD FOLKS, WITHOUT MEDICINE, DIE LIKE ANIMALS

Mr. PROXMIRE. Mr. President, all too often we discuss major issues in terms of statistics and averages and we lose sight of the all-important human element. This is particularly true in the

case of providing medical care for our senior citizens.

The statistics in this case, however, come to life in the actual hard experience related in letters from our older constituents. Here, for example, is a case study that tells the story better than any set of facts and figures. I ask unanimous consent to have this letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SIR: It is some time since I wrote to you about not so very important matters to anyone but me. I waited so patiently for the age of 62 when I could have my pension and could have a little easier life. Well, I got my pension—\$23.90 a month. Can an old person live on that? I am not a widow. My husband gets \$68. He hasn't worked for many years. He has a heart condition. We can't even buy medicines. We could only dream of a hospital. We old folks must just die like animals. I know you have more important matters to think about, but please try to help us.

Respectfully,

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn to meet at 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the calendar in the Coast and Geodetic Survey.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. MANSFIELD. Mr. President, I ask that the nominations in the Coast and Geodetic Survey be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Public Law 86-488
86th Congress, S. 44
June 3, 1960

AN ACT

74 STAT. 156.

To authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for the principal purpose of furnishing water for the irrigation of approximately five hundred thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, and related facilities, but no facilities shall be constructed for electric transmission or distribution service which the Secretary determines, on the basis of an offer of a firm fifty-year contract from a local public or private agency, can through such contract be obtained at less cost to the Federal Government than by construction and operation of Government facilities. The works (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, pumping plants, and the San Luis Canal. The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed, so as to permit future expansion; or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area, as hereinafter provided. In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto). Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan, Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit or has made provision for constructing the San Luis interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956.

(b) No water provided by the Federal San Luis unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity as estimated by the Secretary of Agriculture for the marketing year in which the bulk

Central Valley
Project, Calif.
San Luis unit.
Construction.

43 USC 371 and
note.
Preliminary
measures.

Conditions.

63 Stat. 1051.
7 USC 1421
note.

52 Stat. 41.
7 USC 1301(b).

Negotiation for
delivery outside
San Luis area.

Report to Con-
gress.

of the crop would normally be marketed and which will be in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary calls for an increase in production of such commodity in the interest of national security.

SEC. 2. The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956. Said agreement shall recite that the liability of the United States thereunder is contingent upon the availability of appropriations to carry out its obligations under the same. No funds shall be appropriated to commence construction of the San Luis unit under any such agreement, except for the preparation of designs and specifications and other preliminary work, prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after it has been submitted to the Congress, and then only if neither the House nor the Senate Interior and Insular Affairs Committee has disapproved it by committee resolution within said ninety days. If such an agreement has not been executed by January 1, 1962, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis unit in accordance with section 1 of this Act: *Provided*, That, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as is otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State shall agree that, if it later enlarges the joint-use facilities, or any of them, it will pay an equitable share of the cost to the United States of those facilities as initially constructed before utilizing them for the storage or delivery of water and will bear the entire cost of enlarging the same and if, as a part of said equitable share, it makes available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity: *Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation of the project for the purposes set forth in section 1 of this Act and the use of the additional capacity for water service shall be limited to service outside of the Federal San

Luis unit service area: *And provided further*, That this right may be relinquished by the State at any time at its option.

SEC. 3. The agreement between the United States and the State referred to in section 2 of this Act shall provide, among other things, that—

(a) the joint-use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (i) immediate integration and coordinated operation with the State's water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (ii) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith;

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint-use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint-use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint-use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction cost of the joint-use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint-use facilities;

(f) the rights to the use of capacities of the joint-use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the Federal San Luis unit service area;

(g) the Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used

jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) notwithstanding transfer of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939, and amendments thereto, for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue to be subject to the same limitations and obligations and to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1) in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(i) if a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), as amended, the features of the unit to which such allocation is attributable shall, notwithstanding transfer of the care, operation, and maintenance to the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised and, upon failure so to operate and maintain those features, the amount allocated thereto shall become a reimbursable cost to be paid by the State;

(j) the State shall not serve any lands within the Federal San Luis unit service area except as such service is required as a consequence of its acceptance of the care, operation, and maintenance of works under paragraph (g) of this section.

SEC. 4. If the Secretary proceeds to construct, operate, and maintain the San Luis works under the terms of section 1 of this Act solely as a Federal project, the operation shall be subject to the following restriction: Whenever the chlorides in the water at the head of the Delta-Mendota Canal exceed one hundred and fifty parts per million during the months of July, August, or September, the mean daily diversion from the Sacramento-San Joaquin Delta to San Luis unit via Tracy pumping plant and Delta-Mendota Canal as measured at the San Luis pumping plant shall not exceed the mean daily import to the Sacramento Valley from the Trinity project.

SEC. 5. In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contracts the terms of which are as nearly similar as is practicable to those required by the Federal reclamation laws in the case of irrigation repayment or service contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925; 43 U.S.C. 523).

SEC. 6. The Secretary is directed to plan the works authorized in this Act in such a manner as to contemplate and make possible the future provision of Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties heretofore antici-

53 Stat. 1187.
43 USC 485k.

Restriction.

Use by others,
agreements, etc.

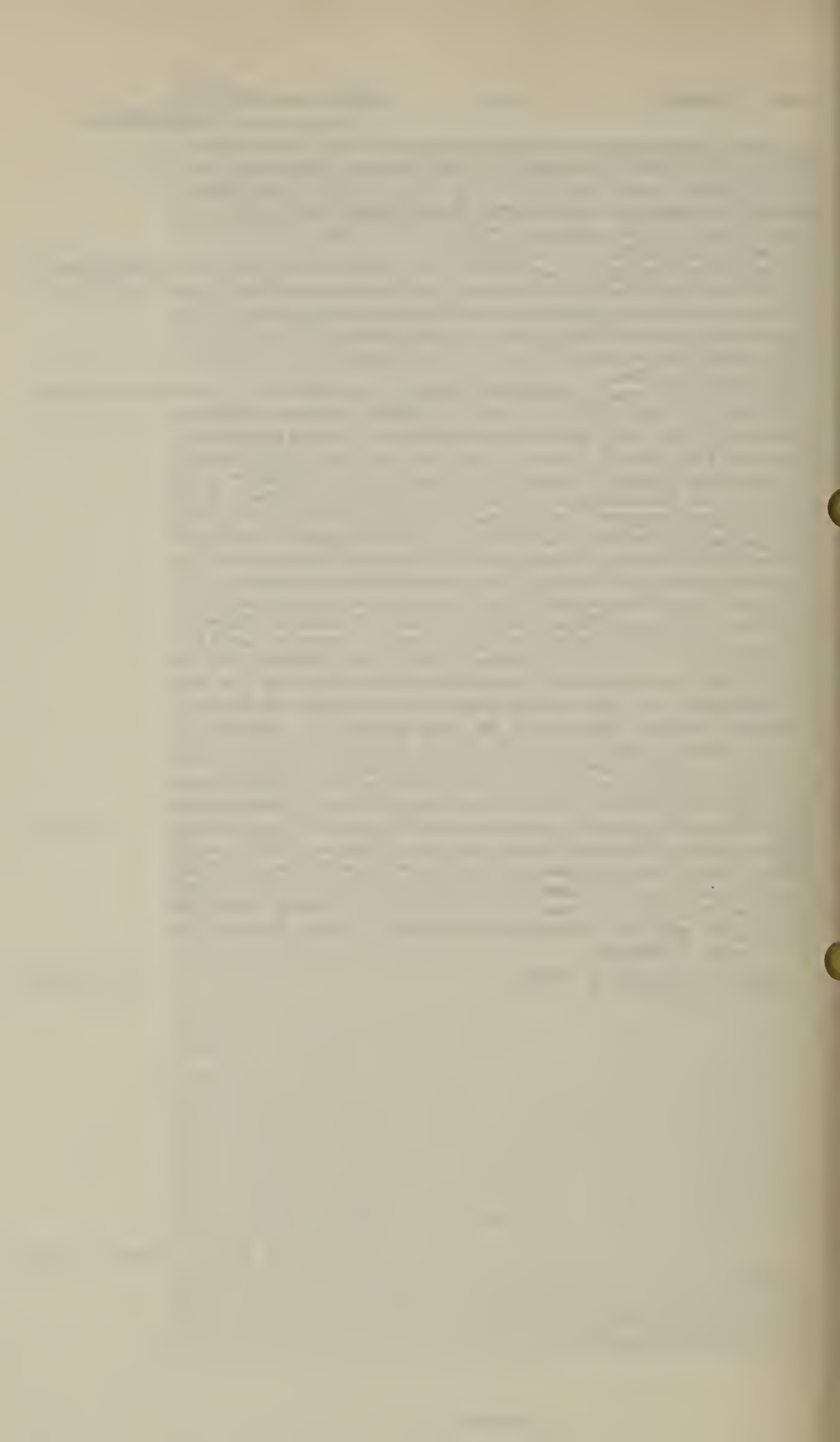
Service to other
areas.

pated as a possibility by the Acts of October 14, 1949 (63 Stat. 852), and August 27, 1958 (72 Stat. 937). Construction of additional works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary, and the works have been authorized by Act of Congress. Report.

SEC. 7. The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be nonreturnable and nonreimbursable under the Federal reclamation laws. Recreational facilities.

SEC. 8. There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint-use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes. Said base sum of \$290,430,000 shall, however, be diminished to the extent that the State makes funds or lands or interests in land available to the Secretary pursuant to sections 2 or 3 of this Act which decrease the costs which would be incurred if the works authorized in section 1 of this Act (including provision for their subsequent expansion) were constructed solely as a Federal project. There are also authorized to be appropriated, in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, but not to exceed in total cost the sum of \$192,650,000, and (b) for operation and maintenance of the unit: *Provided*, That no funds shall be appropriated for construction of distribution systems and drains prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after a contract has been submitted to the Congress calling for complete repayment of the distribution systems and drains within a period of forty years from the date such works are placed in service. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act. Appropriation.

Approved June 3, 1960.



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